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SERIALS DIVISION JORDAN

Rioters Storm Bucharest Offices

3 Killed as Miners Battle the Police Over Economy

Compiled by Our Staff From Dispatches

BUCHAREST — Three people were killed in rioting Wednesday when thousands of striking coal miners and Bucharest residents fought with troops after storming federal government headquarters. Bucharest Radio issued a statement by President Ion Iliescu as clashes flared around the capital after the storming of Victory Square.

It was the worst rioting in post-Communist Romania since June 1990, when miners helped crush anti-government protests in fighting that left six killed.

About 4,000 miners, who have been on strike since Monday, commandeered two trains from the coal fields of central Romania overnight. They were demanding the resignation of Prime Minister Petre Roman, angered that his economic programs have sharply cut the nation's living standards.

Outside the government building, they tossed firebombs to overpower hundreds of riot police, who responded with tear gas. Carrying lanterns and the Romanian flag, the helmeted miners used clubs and axes to break through the iron grates of the building's windows.

As fighting raged outside, other miners forced their way past about 100 police inside the building on the square north of the city center, the Rompres news agency said.

Protesters ran to public telephones to call neighbors and friends to join the attack. Shouts of "come and help the miners" rang out in the square, and the crowds of locals grew.

The Fratia free trade union bloc, which groups several thousand workers from many industries, declared its solidarity with the miners' demands but criticized the violence. The miners have been on strike since Monday.

A total of 60 people, including 34 policemen, were injured in the fighting and in subsequent clashes in downtown streets, the Interior Ministry reported.

Reports from the scene by Romanian TV showed a small fire in one wing of the building that houses the offices of Mr. Roman.

Mr. Roman canceled a visit to Vienna scheduled to start Wednesday, but there was no word on his whereabouts.

Reports that the miners were in the capital raised fears of a repeat of a June 1990 uprising. In that upheaval, 6,000 miners, summoned to Bucharest by the government, engaged in three days of street violence that left six persons dead.

But this time, the government said it would protect people and property by all means, and declared the miners' strike illegal.

"I want no more communism," a miner at the government building said. "I will not leave, even if I am to die." Another miner said he was unable to feed his five children on his salary.

Earlier, the miners smashed windows and beat railroad employees in the coal mining city of Petrosani before commandeering the trains.

Miners arriving at Baneasa Station chanted slogans against the same government they bolstered last year, saying Mr. Iliescu and Mr. Roman "should come down in the mines."

"Where is the food?" the miners shouted.

An Interior Ministry spokesman said without elaborating that "the available police forces have been mobilized."

"Things turned for the worse when miners decided they wanted all their demands settled on the spot, with no delay," a government spokesman said.

Miners earn about double the average monthly salary of $120; Romania's annual inflation is 170 percent. *(AP, Reuters)*

Radu Sigheru-Reuters

Striking miners, after arriving in Bucharest aboard commandeered trains to press for the resignation of Prime Minister Petre Roman.

U.S. Cools Its Threats, Testing Iraq's UN Vow

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — The White House on Wednesday played down the prospect of an imminent military confrontation with Iraq despite signs that the Pentagon was planning to reinforce U.S. naval, ground and air forces in the Gulf.

The White House spokesman, Marlin Fitzwater, announced that the United States would reserve judgment on whether to assign military escorts for future UN inspection flights inside Iraq until Iraq's written guarantee of unrestricted access to UN helicopters was tested. That guarantee was given to the United Nations late Tuesday after a three-week dispute.

Iraq bars refugees from homes, Kurd leader says. Page 2.

"We'll wait and see how it is implemented," Mr. Fitzwater said. The first test could come Sunday, when a new team of inspectors is scheduled to enter western Iraq.

Mr. Fitzwater said that the issue of the UN inspection team surrounded in Baghdad was separate and that there would be no "emotional" White House characterization of the situation while UN negotiations were under way to resolve the dispute.

"We're reviewing the matter," he said when asked why the United States would not set a deadline for the inspectors' unconditional release.

Although The New York Times reported that President George Bush had ordered about 50 more warplanes sent to the Gulf, Mr. Fitzwater said the only White House order concerning military operations had been to deploy Patriot missiles to defend Saudi Arabia.

The White House's measured tone suggested a range of scenarios. U.S. officials may want to see whether President Saddam Hussein fully backs down over the freedom of UN weapons inspectors. Alternatively, the Pentagon may need time to deploy enough military hardware and personnel to the

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Iraq Defies Call To Free UN Team

Compiled by Our Staff From Dispatches

NICOSIA — Iraq defied the United Nations and fresh threats from Washington on Wednesday, refusing to release a team of UN nuclear inspectors held in a Baghdad parking lot.

The UN team has refused to hand over videotapes and documents seized in a search for a secret nuclear weapons program.

The UN secretary-general, Javier Perez de Cuellar, said he had been unable to persuade Iraqi officials to free the 44 inspectors, who have been held for more than 30 hours.

Iraq says the documents are personnel records of Iraqi Atomic Energy Commission employees. The inspectors, led by David Kay of Texas, say they show "the administrative structure of Iraq's nuclear weapons program."

Mr. Perez de Cuellar appealed to the Iraqi foreign minister, Ahmed Hussein Samaraei, for the release of the inspectors but told reporters he had received a "restatement of the Iraqi position — nothing new."

The inspectors said Wednesday that more soldiers had moved into the area.

Three bus loads of Iraqi women showed up at the parking lot for a brief demonstration against the inspectors and the United States.

Mr. Kay told The Associated Press via satellite telephone that the number of armed Iraqi soldiers around the parking lot near the records building where the documents were found had risen from about 70 to as many as 200 after sundown. He said an undetermined number of soldiers had gone into apartment buildings overlooking the site.

The soldiers had not made any threatening moves, Mr. Kay said.

Mr. Kay said Iraqi troops moved in to stop the inspectors from putting UN seals on boxes containing the documents.

The showdown continued after Iraq gave the UN a written assurance that it would allow UN monitors to fly over its territory to look for hidden weapons centers. Iraq had opposed the surveillance flights that the UN inspectors want to make under terms of the Gulf war cease-fire.

The State Department expressed skepticism about Iraq's pledge. A department spokesman, Richard A. Boucher, said, "Iraq has made a number of unconditional pledges in the past." He added that the United States reserved judgment to see whether Iraq allowed the flights without obstruction.

UN officials announced tentative plans Wednesday for a helicopter mission in four or five days to search for Scud missiles and launchers in western Iraq.

Iraq has repeatedly denied it is trying to develop nuclear weapons.

According to Mr. Kay, dozens of Iraqi women saying they were spouses of workers in Iraq's nuclear program demonstrated noisily for about 30 minutes at midafternoon. He said the women shouted, "Down with Bush!" and carried neatly lettered signs in English.

At midday, said Mr. Kay, Iraqi security officers "charged into the circle" of the team's six cars and a bus to stop the inspectors from

See IRAQ, Page 6

New in Germany: Dial-a-Denunciation

By Marc Fisher
Washington Post Service

BERLIN — In the old days, Volker Voight was first secretary of the Free German Youth, Communist East Germany's ideological boot camp for children.

Came the revolution and Mr. Voight adjusted, moving swiftly into a position as a Western insurance executive, complete with impressive salary, a secretary and a company car.

Not bad for a fellow who had been leading Socialist torch parades a few months before. But his success didn't last — not after someone who knew about his past dropped a few pfennigs on him.

All it took was a call to the Red Bigwig Line, a new service of Berlin's Christian Democratic Party. The "bonzo phone," named for the *bonzen*, the popular derisive term for Communist big shots, is a simple way for outraged Eastern Germans to try to accomplish what their peaceful revolution of 1989 failed to achieve — a real overthrow of the ruling class.

After someone called and the facts about Mr. Voight's new job made their way into the splashy new Super! newspaper, the executive was dismissed. "Such people have no place here," said a spokesman for DKV Insurance.

Throughout what used to be East Germany, former Communist officials and secret police employees have infuriated the citizenry by somehow managing to hold on to the best jobs, retaining control of many factories, offices and shops and winning many of the best contracts, storefronts and properties.

They do it partly through connections — networks that continue to funnel favors to Communist-era cronies — and partly because the only people in Eastern Germany who know how things work are those who have run everything for the past four decades.

"In some cases, there is really no choice:

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Kiosk

Rabbi Sues Glemp for Libel in N.Y.

NEW YORK (Reuters) — A New York rabbi sued Cardinal Jozef Glemp on Wednesday, alleging that the Polish primate had libeled him and slandered Jews; the rabbi then watched as a court officer served legal papers on the primate as he left a cathedral.

Rabbi Avi Weiss, whose protest against a convent on the grounds of the Auschwitz death camp in 1989 was denounced by Cardinal Glemp, said the cardinal was served with legal papers in Albany, New York.

The cardinal is in the United States on a visit to Polish-American communities. The rabbi's lawyer, Alan Dershowitz, said the cardinal had 20 days to respond to the suit filed in New York City Supreme Court.

General News

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Dow Close	The Dollar In New York	
3,021.02	DM	1.681
Down	Pound	1.7355
8.05	Yen	133.20
	FF	5.7275

Dr. Seuss, creator of Cat in the Hat, died at 87. Page 6.

Johnny Eggitt/Agence France-Presse

Jack Mann, and his wife, Sunnie, on his arrival in England after being released by his kidnappers in Lebanon. Page 2.

Mobutu Heads for Showdown

Zaire Leader Blames Foes as Thousands Struggle to Flee

By Joseph Fitchett
International Herald Tribune

PARIS — As thousands of Westerners struggled to flee Zaire, the unrest there veered toward political confrontation on Wednesday, with President Mobutu Sese Seko accusing his opponents of inciting the military mutinies that triggered the intervention of French and Belgian forces.

In a reflection of apprehensions about a wider crisis, the scale of Western involvement rose sharply. Belgium announced that it was dispatching more troops to Zaire and the United States started to ferry French reinforcements to several African countries.

French and Belgian troops were reported to be trying to reach other troubled areas, including Kolwezi and other mining cities in Shaba Province, several hundred kilometers southeast of the capital, Kinshasa.

Copper and cobalt mining facilities in Kolwezi have been badly damaged by riots, according to a Reuters report that quoted European officials of Gecamines, the state-owned mineral consortium.

In Kinshasa, where calm was returning, Europeans sought to leave the heavily damaged commercial and residential districts.

French paratroopers, with U.S. support, intervened twice in the 1970s in the Shaba region to crush separatist revolts that threatened the fortunes of Mr. Mobutu's regime and Western use of that corner of Zaire as a staging area for Western-backed guerrillas warring against the Communist regime in neighboring Angola.

This time the crisis seems to have tolled the end of Mr. Mobutu's tenure as one of black Africa's leading strongmen backed by Western economic aid and military muscle.

Instead, both France and the United States hope that Mr. Mobutu's role can now be limited to that of a transitional figure who would preside over Zaire while the country leaves behind the political system developed during his 26 years of rule, officials in Paris and Washington said Wednesday.

For now, one of the officials said, Western governments are hoping Mr. Mobutu "can hang on as a kind of figurehead until other political forces appear capable of holding the place together."

Mr. Mobutu acknowledged that the troubles in Kinshasa had been "the worst since independence," but blamed his opponents for starting riots that had undermined the country's infrastructure.

Publicly, Western governments issued denials of any involvement in Zaire's domestic affairs, claim-

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Opening the Tap for Saudi Arabia, OPEC Raises Production Levels

By Youssef M. Ibrahim
New York Times Service

GENEVA — OPEC agreed Wednesday to a Saudi Arabian proposal to lift the total oil-production ceiling by more than 1 million barrels a day, to 23.6 million barrels a day.

The accord, which was opposed by several OPEC countries, will ensure that oil prices remain at their present moderate levels of about $19 a barrel on average and permit the halting recovery of the world economy to continue without shocks from higher energy prices.

In New York, the market shrugged off the announcement by the Organization of Petroleum Exporting Countries. The production ceiling is "pretty much what was expected," said Victor Yu, an oil analyst at Refco Inc. "The overall ceiling at this point pretty much reflects recognizes reality," he said. Few countries could produce much more even if they wanted to, he pointed out.

On the New York Mercantile Exchange, oil futures for November delivery closed unchanged at $22.19 a barrel.

The "trump card," said Mr. Yu, is Iraq, which could resume production quickly. The United Nations has given permission for Iraq to sell $1.6 billion in oil over six months, which most experts had assumed would be 500,000 barrels a day.

But Mr. Yu's company and others have reported that Iraq may instead sell 1 million barrels a day during the fourth quarter of this year. That level of sales could affect prices.

Kuwait has also resumed exports, at a level of 250,000 to 300,000 barrels a day, and an adviser to the emir of Kuwait said Wednesday morning in New York that he expected exports would rise

Mexico maintains its tight grip on its oil company, Pemex. Page 9.

to 500,000 barrels a day by the end of the year. Kuwait's prewar quota was 1.5 million barrels a day.

OPEC's last agreement, in June, had set the ceiling for its members at 22.3 million barrels a day. However, the group was in effect producing about 23 million barrels a day, with Saudi Arabia alone accounting for more than a third of that quantity.

Saudi Arabia had argued against the objections of several other OPEC members that oil producers should continue to pump all the oil they could, in order, among other things, to protect world markets against shortages in view of tumbling production of the Soviet Union. Soviet production has fallen by more than 2 million barrels a day over the past three years and continues to deteriorate.

But the tenacious view of the Saudis was also heavily influenced by a decision in Riyadh to retain the lion's share of OPEC production that Saudi Arabia has commanded since the Gulf crisis began, when it boosted its output to 8.5 million a day, from 5.5 million.

Saudi officials have repeatedly said they would not abandon their newly acquired share of world oil markets, regardless of whether other members of the cartel agreed with them.

The Saudi view overwhelmed objections by Algeria, Iran, Libya and Indonesia, which favored a restrained production and higher oil prices. Several OPEC officials conceded they could not stand firm in the face of Saudi determination.

"The Saudis got what they wanted and the others walked away empty-handed," said Bahman Kiabassioun, an Iranian oil economist who used to be an OPEC official.

The Saudis have emerged from the Gulf crisis as the undisputed masters of OPEC, particularly since the elimination of Iraq as an effective member of the cartel since it was placed under a United Na-

See OPEC, Page 10

A Buzz, a Squeal: Is That a Phone in Your Pocket?

By Molly O'Neill
New York Times Service

NEW YORK — The hushed conversations and gentle clicks of cutlery against china at Campton Place, an elegant San Francisco restaurant, were shattered recently by a high-pitched squeal that seemed to emanate from one diner.

A pacemaker gone awry? A stray white-collar criminal with an electronic handcuff?

No, it was another sort of tie that binds: Brad Kendal's new portable telephone, a $1,200 "Pocket Commander."

"I forgot to turn it off," he said to his companion. "Yeah!" he answered into the phone.

The Sound broke The Silence. It's happening in theaters, on golf courses, at tennis matches and other bastions of silence, and it's bound to happen more.

Last month Motorola Co. introduced "Microtac Lite," a miniature portable telephone that weighs less than 8 ounces, and other manufacturers have followed with pocket-size telephones that could become as ubiquitous as Walkmans.

So far, no clear-cut etiquette has quelled the interlopers, especially where they are least expected.

"I heard one in church last week," said Letitia Baldrige, the author of "Letitia Baldrige's Complete Guide to the New Manners for the '90s."

She was speaking on a desktop telephone from her home in Washington. "Can you imagine if it had been a wedding? A call-in objection?"

Etiquette always trails revolutions. Since this product of the technological revolution only made its debut in 1983, a code of cellular telephone courtesy is still evolving.

The problem of intrusion has been addressed within the portable telephone industry. Under the guise of "Ms. Mobile Manners," Cantel Industries, one of two companies that offer cellular service in Canada, advised port-a-phoners to use a low voice in social settings.

When Fujitsu America introduced its "Pocket Commander" portable phone, it also issued 10 commandments for the phone's polite deployment.

They ranged from "Don't interrupt formal business meetings," and "No calls after the movie starts," to "In restaurants let ambiance be your guide," and "Remember to excuse yourself from the person you are talking to if you accept an incoming call."

Such good manners might help deflect the hostility encountered by some portable phone users.

"I've been threatened," Arthur Crayton, a political consultant who lives in Cambridge, Massachusetts, said in a telephone interview as he walked across Harvard Yard.

Mr. Crayton uses a portable phone when he is commuting between Boston and Washington. "You would not believe how hostile people get over a little hand phone," he said, sounding baffled.

The electronic bleats and brays have drawn both re-

See WIRED, Page 6

Impasse in Soviet Georgia Erupts in Bloodshed

By Margaret Shapiro
Washington Post Service

TBILISI, U.S.S.R. — Zviad K. Gamsakhurdia, the Georgian president, demanded Wednesday that rebel troops and opposition forces lay down their arms by Thursday evening, raising fears of a wider conflict after a battle here left five people dead.

Rebel National Guardsmen, loyal to the opposition, are well-armed and holding the television center. Equally well-armed troops supporting the president are defending the government building.

Standing on the parliament steps before a crowd of supporters, many of them peasants bused in from rural areas, Mr. Gamsakhurdia sounded defiant, telling the "junta" to give up so that "not a single drop of blood should be spilled." He warned that if the rebels do not disband, "we will call on Georgia to give its verdict."

Akaki Asatiani, the president of the parliament, said at a news conference in the barricaded government house, "The threat of a civil war exists. We hope for the best, but anything can unfortunately happen."

In several of the republics that have yet to establish their independence fully, tensions remained high Wednesday.

Thousands of people were reported to be pouring into Dushanbe, the capital of Tadzhikistan, to protest a state of emergency declared by the newly resurgent Communist Party in that Central Asian republic near China. Russian television reported that about 50 tents had been set up in the main city square in defiance of a government ban on demonstrations.

Ethnic violence continued in the Nagorno-Karabakh region despite a cease-fire agreement brokered Monday by Boris N. Yeltsin, the Russian president, and his counterpart from Kazakhstan, Nursultan A. Nazarbayev. Three more deaths were reported in that mountainous region, an enclave of Christian Armenians within the Muslim republic of Azerbaijan.

The situation in Georgia was especially worrisome for what it suggests about the prospects of a peaceful dissolution of the Soviet Union. As the political and military forces that kept the country together vanish, many warn that what is happening in Georgia could be replayed in other republics.

Georgia has been in a state of political paralysis for weeks, with key opposition figures under arrest, newspapers shut down and gun-toting policemen and National Guard troops everywhere.

Mr. Gamsakhurdia, long a nationalist hero for many of the 5.5 million people who inhabit the republic, was overwhelmingly elected president in May on a pro-independence platform. But since then, he has been criticized as abandoning democracy and wanting to create a personal dictatorship. He is also accused of having been too sympathetic to the rightist coup in August that briefly toppled President Mikhail S. Gorbachev from power.

Two weeks ago, Mr. Gamsakhurdia ordered his staunchest critics jailed after they held a demonstration against him. Soon afterward, opposition forces, including National Guard troops who defected from Mr. Gamsakhurdia's side, took over the television center.

The opposition is now demanding that Mr. Gamsakhurdia step down and that an emergency session of parliament be held. Sporadic talks have been held under the aegis of the Orthodox Church of Georgia without results.

On Wednesday, each side accused the other of instigating an early morning incident at a power plant, in which two pro-Gamsakhurdia militiamen and two opposition National Guardsmen were killed, and six other troops from both sides wounded. Another person was killed earlier, reportedly by shots from a carload of Mr. Gamsakhurdia's backers.

Mr. Asatiani made clear that the government would not accede to opposition demands.

"We cannot have a parliament session when weapons are pointed at us," he said. "We are going to stand to the end facing these people, not because we hate these people — this is a matter of principle."

Peter Dejong/The Associated Press

A presidential commando in Tbilisi, Soviet Georgia, being hugged by a colleague after a gun battle with National Guardsmen.

'Tired' Yeltsin Skips Talks and Takes Vacation

Reuters

MOSCOW — Boris N. Yeltsin canceled a meeting with the West German finance minister on Wednesday to take an unscheduled vacation, setting off new speculation about his health.

But Mr. Yeltsin's spokesman, Pavel Voshchanov, rejected suggestions that the president of the Russian Republic, who took two days off work with heart trouble last week, was unwell.

"His health is O.K., but he is naturally tired," he said.

Mr. Yeltsin, 60, left Moscow on Wednesday morning for an unknown destination.

He returned Tuesday from a trip to Transcaucasia, where he spent hours leading negotiations between Armenia and Azerbaijan.

Mr. Voshchanov declined to comment on the cancellation of the meeting with Finance Minister Theo Waigel, the top economic official of the Western nation most involved in investment and aid to the Soviet Union.

Mr. Waigel said: "We were told that unfortunately President Yeltsin could not receive us this morning on the advice of his physician. He was very much fatigued by his very important mission."

Mr. Voshchanov said that the Russian leader would take a maximum of two weeks' vacation but that he was ready to fly next week to Alma-Ata, capital of Kazakhstan, to sign an economic agreement between former and current Soviet republics.

Mr. Yeltsin, who has a history of medical problems, appeared tired by the end of his mission to Transcaucasia, which included flights by military helicopter to the disputed enclave of Nagorno-Karabakh.

Mr. Voshchanov declined to say where Mr. Yeltsin had gone for his vacation, except that it was in the south of the Russian Republic and not at the Latvian resort of Jurmala, where he went last year.

"The press is likely to find out his whereabouts, but I prefer it should not come from me," he said. "Let him have some peace."

Israel and U.S. Agree to Delay Loan Issue

By Thomas L. Friedman
New York Times Service

NEW YORK — Israel's foreign minister, David Levy, and Secretary of State James A. Baker 3d agreed Wednesday to try to defuse tensions between their governments over the issue of Israeli housing loan guarantees, apparently not by settling the dispute but by postponing it.

Congressional leaders have signaled that they intend to accede to President George Bush's request to postpone for four months consideration of the Israeli request for $10 billion in housing loan guarantees. And some prominent American Jews have begun to call on Israel publicly and privately to reconsider its settlement practices — so that when the issue comes up again in four months there will not be a confrontation.

Speaking with reporters after his meeting with Mr. Baker, Mr. Levy said, "We can say that all those shadows that were between Israel and the United States have been removed and a better climate has been achieved."

But officials said that the improvement was not because of any substantive understandings, but rather because Israeli officials have apparently decided that they have no choice but to bow to realities and forgo a fight with the administration over the issue.

The Israeli loan feud: a wall talking to a wall. Page 5.

The Bush administration has told the Israelis that they would get the loan guarantees now only if they accepted "very effective conditions" to curtail their settlement building in the occupied territories. Since Israel rejects such linkage, and would have engaged the administration in a major fight to avoid it, Israel's congressional supporters have opted to take up Mr. Bush's offer for delay.

Senators Robert W. Kasten, Republican of Wisconsin, and Daniel K. Inouye, Democrat of Hawaii, who are sponsoring the loan guarantee legislation, are expected to announce this week that they have a two-thirds majority of the Senate prepared to pass the Israeli request. But they will only bring it to a vote in four months — after a Middle East peace conference is supposed to be well under way.

While few leading American Jews are prepared to come out and say so publicly, some are quietly urging Prime Minister Yitzhak Shamir of Israel not to make a bad situation worse by continuing to open new settlements in the occupied West Bank and Gaza Strip. On Tuesday Mr. Shamir inaugurated a new settlement straddling the West Bank, while declaring "all the territories that we have available for construction will be populated by Jews up to the horizon's edge."

Abraham H. Foxman, the national director of the Anti-Defamation League of B'nai B'rith, said in an article to be published Thursday in the Israeli daily Yediot Ahronot, that leading American Jews respect Israel's "moral and legal right" to build settlements.

But if the Israelis are going to persist in that policy, Mr. Foxman wrote, they had better understand certain basic realities about the United States: the popularity of Mr. Bush as president; the absence of anti-Soviet factors that often led to reflexive American support for Israel; budgetary constraints in the United States, and a feeling after the Gulf war that the Arabs "are not necessarily the same bad guys as they have been."

Klaus Barbie, the Butcher of Lyon, Dies

Compiled by Our Staff From Dispatches

LYON — Klaus Barbie, the Gestapo commander known as the Butcher of Lyon, has died in French custody serving a life sentence for crimes against humanity. He was 77.

The authorities who reported his death Wednesday did not immediately disclose the time or the cause of his demise, but Barbie had been treated for what his lawyer, Jacques Vergès, recently described as terminal cancer.

Barbie was sentenced in July 1987 after a long trial that revived many wartime memories painful for the French.

He was convicted for his conduct during 18 months as chief of the Gestapo, the Nazi secret police, in Lyon, including the deportation of French Jews and others to their deaths in Nazi extermination camps.

The list included 84 deported following a February 1943 raid on the General Union of Israelites in France; 44 Jewish children and seven adults deported from Izieu, France; 650 people sent away in the last convoy to leave Lyon on Aug. 11, 1944, as the Allies approached, and 59 others sent to the death camps at various times.

He also was accused of having tortured prisoners in his hands, including a 13-year-old French girl who as a grown woman returned to testify against him in a wrenching court appearance.

AFP

Barbie being taken away after he was sentenced in Lyon in 1987 to life imprisonment.

Throughout his trial Barbie was unrepentant. "It was war," he said, "and the war is finished."

The court found no extenuating circumstances to lighten the penalty.

Nor did he help his case when he said, "Alone in the world, France makes a show of this strange historical delirium."

Barbie had been a fugitive for four decades. After World War II he took refuge in Bolivia where his presence was uncovered in June 1971 by Beate Klarsfeld, the French Nazi hunter.

But more than 11 years went by before he was arrested, in October 1982, on a fraud charge.

He was extradited to France on Feb. 4, 1983, and was placed under arrest in Lyon the following day.

Barbie had been the last remaining German war criminal of rank to face trial. Twice condemned to death in absentia, he prospered in Latin America under an alias after the war. In fact, he had been all but written off by French and West German prosecutors.

The aging, sickly figure who was locked up in Montluc Prison — where the Gestapo had tortured its prisoners 40 years earlier — promptly proved an embarrassment not only to the French but to official Washington as well.

It transpired that U.S. Army counterintelligence had used him as a paid informer after the war, shielding him from his French pursuers and then helping him escape to South America.

For the French, Barbie caused enduring agony. Back in their midst and behind bars, his presence weighed heavy on the national conscience. To contemplate Barbie was to face a chapter of history the French longed to forget: the Vichy France of Marshal Henri Philippe Pétain.

Barbie commanded the Gestapo in Lyons, the base for the Resistance and a center of French Jewry. With his SS rank equivalent to captain, he ran a campaign of torture and death against resistance leaders and caused uncounted other people, most of them Jews, to be send to the gas chambers of Auschwitz.

With the German invasion of the Soviet Union, Barbie was attached to the Gestapo. He rose in rank and was assigned to Lyons to head a Gestapo section whose domain extended far beyond the city proper.

(AP, AFP, NYT)

Tito to Be Reburied

The Associated Press

BELGRADE — The white marble sarcophagus containing the remains of Tito, who died on May 4, 1980, is to be transferred from a Belgrade hilltop memorial to a regular cemetery.

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Israel Says Iran Broke Promise on Soldier

Compiled by Our Staff From Dispatches

JERUSALEM — Israel accused Iran on Wednesday of breaking a promise to provide information on an Israeli soldier missing in Lebanon, a condition that is part of a deal to free Western hostages.

But a Shiite Muslim cleric involved in the hostage negotiations said in Lebanon that the soldier was "probably dead."

Pro-Iranian Muslim kidnappers holding Westerners in Lebanon are demanding that Israel release Arab prisoners in exchange for their captives. The Muslim cleric, Hussein Musawi, said the kidnappers were awaiting a reciprocal action after having freed Jack Mann, a British hostage held in Beirut, on Tuesday.

ITN television news reported in Britain that Mr. Mann said he had been tortured frequently by his captors and had not seen another human being apart from his kidnappers since his capture on May 12, 1989.

Mr. Mann, 77, flew to England from Syria on Wednesday aboard a Royal Air Force VC-10 transport, to be greeted with a victory roll by a World War II Spitfire fighter, like the one he flew half a century ago during the Battle of Britain. Mr. Mann, one of a handful of fliers who fought waves of German bombers raiding southern England, was shot down six times during the war.

"It is the most wonderful day of my life," his wife, Sunnie, said after the VC-10 landed at the air base at Lyneham in England and the Spitfire roared overhead.

Mr. Mann, looking frail, was helped by a nurse down the steps of the VC-10.

The Israeli Defense Ministry said in a statement Wednesday that its release on Sept. 11 of 51 Arab detainees had been carried out in exchange for information on two missing Israeli soldiers, Rahamim Sheikh and Yossi Fink, but that only one soldier was accounted for.

"Most regrettably, Iran to this day has not lived up fully to its commitment," it said, because the information was insufficient "to determine clearly and unequivocally the fate of missing soldier Yossi Fink."

The Defense Ministry, however, also said that Israel offered to free more Arab prisoners in exchange for information on a missing Israeli Air Force navigator, Captain Ron Arad, one of five Israeli servicemen still missing in Lebanon.

Mr. Musawi, a member of the 11-man executive of Hezbollah, the pro-Iranian Party of God, said both Mr. Sheikh and Mr. Fink, who were captured in February 1986, were probably dead.

"Israel has taken notice that one of the two prisoners is a corpse," he said. "The other could be a corpse, too. He is probably dead."

The kidnapping groups in Lebanon have demanded that Israel release 300 detainees plus Sheikh Abdel Karim Obeid, a Hezbollah leader kidnapped from his home in southern Lebanon in July 1989 by Israeli commandos.

The missing Westerners include five Americans, a Briton and two Germans. Another Briton and an Italian were also kidnapped, but they are feared to have died.

(AP, Reuters)

The Truce In Croatia May Last

Croat and Serb Reach an Accord

By Alan Cowell
New York Times Service

ZAGREB, Yugoslavia — As international efforts to bring peace in Yugoslavia's civil war gathered speed after a three-day cease-fire, the leaders of the fractured nation's principle warring factions met secretly Wednesday and agreed "to maintain and fortify" the truce with a complete cessation of hostilities, the authorities here said.

There was no immediate formal acknowledgment of Croatia's announcement from its Serbian adversaries, but the Belgrade press agency Tanjug said the participants in the meeting had agreed on the need for an "absolute cease-fire."

The reported agreement was the first and most positive political reaffirmation of the latest cease-fire since it was agreed to Sunday by President President Franjo Tudjman of Croatia and Yugoslavia's federal defense minister, Veljko Kadijevic.

The cease-fire has frequently been violated since then, particularly in eastern Croatia, where Croatian militiamen have said that they do not want to stop fighting either the Serbian-led federal army or hostile militias drawn from Croatia's 600,000 Serbian minority. The federal army is considered in this secessionist republic to be an invading and occupying force.

The fighting has built since June 25, when Croatia declared itself independent of Yugoslavia's tattered federation of six republics.

While Sunday's cease-fire was agreed to only by Mr. Tudjman and General Kadijevic, Wednesday's meeting was reported by both Tanjug and the Croatian authorities to have been attended by Slobodan Milosevic, the hard-line Communist leader of Serbia, who has hitherto remained silent on the truce.

Croatia is demanding the withdrawal of the federal army to its barracks from combat positions. But Mr. Milosevic has said repeatedly this week that he would agree to Croatia's independence only if Serbian-held areas were permitted to secede, a demand Croatia rejects.

Serbian irregulars and federal units hold wide sections of Croatian territory and have severed the Dalmatian coast from the Croatian hinterland.

In a statement Wednesday night, Mr. Tudjman's office said that the three men "considered it necessary to fortify peace in the country with a complete cease-fire as the first condition for attaining just political resolutions."

Officials declined to say where the meeting had taken place.

The statement urged the resolution of Yugoslavia's crisis "exclusively through political means" to "stop the continuation of bloodshed and fighting." It said further meetings would be held.

The announcement was made several hours before the United Nations Security Council in New York was to hold a ministerial meeting and impose an embargo on arms sales to Yugoslavia — a move that would probably hurt Croatia more than the federal army, which has large stocks and can draw on Yugoslavia's defense industry.

Additionally, ministers from Yugoslavia's republics are supposed to resume discussion with European officials in The Hague on Thursday to pursue last week's failed cease-fire, which called on federal troops to return to their barracks.

The meeting Wednesday coincided with increasing strains on the cease-fire — the latest and thus far most durable in a series of truces. Most of the infringements have been reported from eastern Croatia, where Zagreb's propaganda has labeled the town of Vukovar — on the Danube River border with Serbia — "Croatia's Stalingrad."

Some Croatian commanders in that region are particularly opposed to a cease-fire, and federal air strikes were reported Tuesday on the town of Vinkovci, which controls the only supply route into Vukovar.

The announcement Wednesday seemed designed to give a new, political impetus to the cease-fire. But it was not clear whether lasting agreements had been made that would translate into a real disengagement on the ground, where hostile forces are in many places a few hundred yards apart across cornfields and wooded valleys.

WORLD BRIEFS

East German Spy's Bail Withdrawn

KARLSRUHE, Germany (AP) — The former head of East German intelligence, Markus Wolf, is being kept in jail because a judge overturned a bail agreement reached after his surrender to German authorities, officials said.

Mr. Wolf, 68, was arrested Tuesday after arriving in an Alpine village from Austria. A magistrate set bail at 50,000 Deutsche marks ($30,000) and ordered him set free. Shortly before midnight, however, the chief federal prosecutor said a judge had overturned the order.

A spokesman said Mr. Wolf, whom prosecutors want to try for espionage, treason and bribery, was being held in investigative custody. Mr. Wolf headed East Germany's spy apparatus from 1958 to 1987.

Paris Cabinet Toughens Labor Stance

PARIS (Combined Dispatches) — Amid intense political debate, the cabinet approved tough new labor measures Wednesday, including prison terms and fines for those convicted of providing or hiring illegal immigrants. The measures still must be approved by parliament.

It was the first step in a government plan announced in July to try to bring the immigration problem under control. Last week, Valéry Giscard d'Estaing, a conservative and the former president, assailed what he called an "invasion" of foreigners.

Figures last year showed that there were 4.1 million foreigners, plus 300,000 to 1 million illegal immigrants, in the country. Immigration is seen as likely to be a top campaign issue of municipal elections scheduled for March.

(AFP, Reuters)

PLO Moderates Urge Role in Talks

ALGIERS (AP) — After a day of fiery speeches urging rejection of Middle East peace talks, PLO moderates called Wednesday for acceptance of the negotiations as long as Palestinians' rights were guaranteed.

Yasser Abed Rabbo, a member of the PLO Executive Committee and lieutenant of the chairman of the Palestine Liberation Organization, Yasser Arafat, said: "We have no alternative but to participate. But we have to stick to our conditions which represent the minimum basic Palestinian rights. We have to find a formula for this participation without compromising."

All major speakers at the meeting of the Palestine National Council agreed that the PLO must have the right to appoint Palestinians to the talks and that the delegation should be treated as the equal of the other delegations.

China Bans Newsweek's 'Gulag' Issue

BEIJING (AFP) — China has banned the current issue of Newsweek, which contains investigative reports on the use of prison labor to make goods for export, the U.S. magazine's local distributor said Wednesday.

The authorities have directed China Book Import & Export Co. to withhold Newsweek's Sept. 23 issue from newsstands because "it has problems," a company official said. He said copies of the magazine had been "disposed of," but did not elaborate. Foreigners who have postal subscriptions to Newsweek said they received the issue.

In articles headlined "The Last Gulag," Newsweek documented China's use of prisoners as cheap labor to make goods for export. The practice has provoked anger in the U.S. Congress and threatens renewal of the trade status that gives Beijing the lowest possible import tariffs.

Senator Objects to 'Quota' Label

WASHINGTON (AP) — The chief Republican sponsor of a civil rights bill disputed on Wednesday the White House's charge that his measure would encourage racial hiring quotas, and said such "race politics" is bad for the nation. The legislation is designed to negate a series of Supreme Court rulings that have made it harder to win discrimination cases against employers.

"This is not a quota issue," said Senator John Danforth of Missouri, the sponsor. "I am sorry that yet again this word 'quota' is being bandied about wrongly as a way to try to characterize this legislation."

He added: "I had hoped to avoid a contentious battle on the floor of the Senate, because I think race politics is not only bad for my political party, I believe it's bad for the country. We have been unable to do that."

For the Record

Robert Ray, the New York subway motorman who allegedly was drunk when his train crashed last month, killing five passengers, has pleaded not guilty to murder charges. Mr. Ray is accused of showing a depraved indifference to life while recklessly driving the train Aug. 28. *(AP)*

TRAVEL UPDATE

Grace Period Is Urged for Duty-Free

BRUSSELS (AP) — A European Community tax official said Wednesday that duty-free shops should be allowed to continue sales to travelers across EC borders for a transition period of a few years.

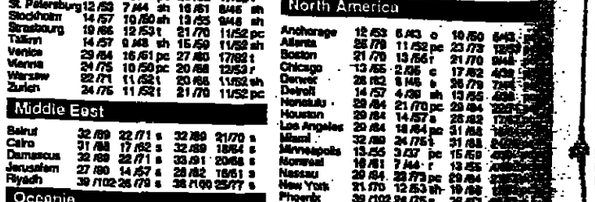
Tax Commissioner Christiane Scrivener said duty-free sales to travelers within the 12-nation bloc are incompatible with the EC's plan to break down trade barriers by the end of next year. But she said the industry should be given time to adjust to the single market as long as sales at the EC's internal borders are abolished in the end. "It must be a brief period, a few years at the most," she told a European Parliament committee.

All Nippon Airways commercial service to North Korea will begin next month with a charter flight from Japan, officials said Wednesday. *(AFP)*

Lufthansa will fly three times weekly to Riga, the capital of Latvia, and to Kiev, the capital of Ukraine, from Frankfurt, beginning in November. The Kiev flights will be Mondays, Wednesdays and Fridays; Riga flights Tuesdays, Fridays and Sundays as a stopover to St. Petersburg. *(AFP)*

The Weather

Forecast for Friday through Sunday



North America
After a few showers in the Northeast Friday, dry and cool weather will be the rule across the eastern half of the nation over the weekend. Los Angeles will have dry weather with morning clouds and afternoon sunshine Friday through Sunday.

Europe
London to Paris will be breezy and cool Friday with clouds giving way to some sunshine. The weekend will be cool with a windswept, soaking rain. Very stormy weather will affect much of France and northern Spain this weekend.

Asia
The remains of Typhoon Mireille will bring rain to Tokyo and most of Japan Friday. Clouds will mix with sunshine over the weekend. The remnants of Nat will cause showers in Taiwan Friday and Saturday. The weekend will be dry in Beijing.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	23/73	10/64 t	27/80	17/62 s
Amsterdam	19/66	13/55 sh	21/70	11/52 pc
Ankara	28/79	10/50 s	22/71	9/48 s
Athens	27/80	17/62 s	29/84	19/64 s
Barcelona	27/80	17/62 t	28/82	18/61 sh
Belgrade	27/80	13/55 s	28/82	15/59 sh
Berlin	19/66	11/52 t	19/66	11/52 pc
Brussels	20/68	12/53 sh	21/70	11/52 pc
Budapest	24/75	11/52 s	21/70	12/53 r
Copenhagen	15/59	10/50 sh	15/59	9/48 r
Costa Del Sol	27/80	17/62 sh	31/88	18/64 s
Dublin	16/61	11/52 sh	17/62	10/50 s
Edinburgh	14/57	10/50 sh	14/57	10/50 pc
Florence	31/88	17/62 s	29/84	17/62 t
Frankfurt	20/68	12/53 t	21/70	11/52 pc
Geneva	21/70	11/52 t	21/70	11/52 pc
Helsinki	14/57	8/46 sh	16/61	9/48 sh
Istanbul	23/73	13/55 s	21/70	12/53 s
Las Palmas	29/84	22/71 pc	29/84	22/71 pc
Lisbon	21/70	16/61 sh	22/72	14/57 sh
London	16/61	10/50 sh	17/62	11/52 s
Madrid	27/80	16/61 t	28/82	14/57 pc
Milan	29/84	16/61 pc	27/80	18/61 pc
Moscow	18/64	11/52 pc	19/66	13/55 pc
Munich	19/66	11/52 t	20/68	10/50 pc
Nice	28/82	17/62 s	27/80	18/61 pc
Oslo	13/55	8/46 sh	14/57	6/43 r
Paris	19/66	12/53 sh	19/66	10/50 pc
Prague	20/68	12/53 t	21/70	12/53 pc
Reykjavik	10/50	1/34 pc	9/48	2/35 pc
Rome	30/86	18/64 pc	28/82	17/62 t
St. Petersburg	12/53	7/44 sh	16/61	8/46 sh
Stockholm	14/57	10/50 sh	13/55	9/48 sh
Strasbourg	19/66	12/53 t	21/70	11/52 pc
Tallinn	14/57	8/43 sh	15/59	11/52 sh
Venice	29/84	16/61 pc	27/80	17/62 t
Vienna	24/75	10/50 pc	20/68	12/53 r
Warsaw	22/71	11/52 t	20/68	11/52 sh
Zurich	24/75	11/52 t	21/70	11/52 pc

Middle East

Beirut	32/89	22/71 s	32/89	21/70 s
Cairo	31/88	17/62 s	32/89	18/64 s
Damascus	32/89	22/71 s	33/91	20/68 s
Jerusalem	27/80	14/57 s	28/82	15/61 s
Riyadh	39/102	26/79 s	38/100	25/77 s

Oceania

Auckland	16/61	9/48 pc	18/64	10/50 pc
Sydney	22/71	7/44 pc	22/71	7/44 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	32/89	23/73 pc	32/89	24/75 pc
Beijing	22/71	13/55 pc	25/77	13/55 pc
Hong Kong	30/86	24/75 pc	31/88	24/75 pc
Manila	32/89	24/75 t	32/89	24/75 pc
New Delhi	33/91	23/73 pc	34/93	23/73 pc
Seoul	24/75	15/59 sh	24/75	13/55 pc
Shanghai	28/79	18/64 pc	28/79	18/64 pc
Singapore	31/88	24/75 pc	31/88	24/75 pc
Taipei	27/80	23/73 r	28/82	24/75 t
Tokyo	24/75	18/64 sh	24/75	19/66 r

Africa

Algiers	33/91	21/70 pc	34/93	22/71 s
Cape Town	18/64	8/46 c	18/64	9/48 pc
Casablanca	32/89	19/66 s	32/89	18/64 s
Harare	29/84	18/64 pc	29/84	18/64 pc
Lagos	29/84	24/75 pc	29/84	24/75 pc
Nairobi	24/75	12/53 pc	25/77	13/55 pc
Tunis	31/88	15/59 s	31/88	14/57 s

Latin America

Buenos Aires	21/70	11/52 pc	22/71	12/53 pc
Caracas	31/88	23/73 pc	31/88	24/75 pc
Lima	21/70	18/61 pc	21/70	18/61 pc
Mexico City	23/73	13/55 pc	23/73	13/55 pc
Rio de Janeiro	28/70	19/66 pc	28/76	19/66 pc
Santiago	20/68	6/43 pc	22/71	6/43 pc

North America

Anchorage	12/53	6/43 o	10/50	6/43 r
Atlanta	28/79	11/52 pc	23/73	12/53 pc
Boston	21/70	13/55 t	21/70	9/48 t
Chicago	13/55	2/35 c	17/62	4/39 pc
Denver	28/82	8/46 s	26/79	7/44 s
Detroit	14/57	4/39 sh	13/55	6/43 pc
Honolulu	29/84	21/70 pc	29/84	22/71 pc
Houston	29/84	14/57 s	28/82	17/62 s
Los Angeles	29/84	18/64 pc	31/88	19/66 pc
Miami	32/89	24/75 t	31/88	23/73 t
Minneapolis	13/55	3/37 pc	15/59	6/43 pc
Montreal	18/61	7/44 r	13/55	4/39 pc
Nassau	30/84	23/73 pc	29/84	23/73 pc
New York	21/70	12/53 sh	19/66	11/52 pc
Phoenix	38/102	24/75 s	38/102	24/75 s
San Fran.	23/73	13/55 pc	21/70	13/55 pc
Seattle	27/80	12/53 s	23/73	12/53 pc
Toronto	13/55	6/43 sh	12/53	6/43 pc
Washington	24/75	12/53 pc	21/70	12/53 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice

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The Early Postmarks Will Get the Green Cards

By Seth Mydans
New York Times Service

NEW YORK — At one minute past midnight on Oct. 14, would-be immigrants and their lawyers will dump tens of thousands of applications into bins at a Virginia post office as part of one of the stranger and more controversial innovations in a new immigration law.

Under the 1990 law, the first 40,000 applications received after 12:01 A.M. on Oct. 14 from people born in 34 countries and dependencies will qualify for the green card that signifies legal permanent residence in the United States. With some people planning to dump off or mail in hundreds of duplicates to increase their chances, the post office could receive as many as five million applications by the cutoff date five days later, according to some estimates.

There were similar lotteries in 1986 and 1989, but they were smaller, with 10,000 and 20,000 winners, and were intended as one-time programs. The new lottery will become a permanent annual feature under the new immigration law.

Among the applicants is Derek McMahon from Dublin, who has worked in the United States illegally for past six years and said he would mail in 200 copies.

"I've tried everything to get a green card, and nothing has worked," he said. "This is my only chance."

The lottery was written into the law — which allows for overall immigration of up to 700,000 people a year — with the stated intent of bringing "diversity" by aiding countries whose immigration numbers dropped after the passage of a broad new statute in 1965.

The 1965 law lifted stringent quotas on immigration from Latin America and Asia and gave preference to immigrants closely related to citizens. Both changes reduced the influx from many European countries. Most of the 34 places on the list for the new lottery are in Europe.

"This is kind of a white person's lottery," said Michael Maggio, a Washington-based immigration lawyer.

In particular, the new law, co-sponsored by Senator Edward M. Kennedy, Democrat of Massachusetts, favors the Irish, who are allotted at least 40 percent of the places. Some critics describe it as a disguised amnesty for the more than 100,000 undocumented immigrants from the Republic of Ireland who are living illegally in America.

Natives of Northern Ireland will be considered citizens of Britain, also one of the countries included in the lottery.

With most immigrants now entering the country under the immigration law's provisions for family reunification, the flow of people from Latin America and Asia has continued, building on an initial influx from those nations after 1965. Many European nations, and particularly the Irish, do not have that recent base of legal immigrants who can apply for entry for immediate family members.

Critics of what one lawyer called an "Irish sweepstakes" approach to immigration assert that it is a mockery of U.S. immigration ideals, with possible racial undertones. They say it reinserts into immigration law the principle of national origin that was erased by the 1965 law. That law, among other things, ended a restriction on immigration from Asia.

Cecilia Munoz, an official of the Washington-based Hispanic rights lobbying group, National Council of La Raza, said, "'Diversity' is clearly a euphemism. 'Diversity' under this law means larger numbers of white Europeans, and I think there is some irony in that.

"Clearly, members of Congress are more comfortable with immigrants with last names similar to theirs. People who would fight us tooth and nail didn't bat an eyelash when the Irish got their amnesty. It says something about the politics of immigration. We are more comfortable with some people than with others."

Critics also say the lottery injects an element of randomness at a time when U.S. immigration law is attempting to attract what are considered to be desirable immigrants, people with particular job skills or large amounts of money to invest in businesses.

"It's not a true lottery, but more of a crapshoot," said Cornelius D. Scully, the State Department official who prepared the regulations under the guidelines of the new law.

After the first three years, during which at least 54,000 people are to be admitted from the Republic of Ireland, the Irish preference is to be be dropped, Mr. Scully said. The total number of visas offered under the lottery each year will rise to 55,000.

In analyzing the legislation, the Federal Register this month noted that there would be "the unseemly spectacle of thousands of applicants and their representatives going through bizarre gyrations in an effort to guarantee that their applications were processed early."

"This is a hell of a way to run a railroad," said Alan Nelson, a former commissioner of the Immigration and Naturalization Service who is now a private consultant on immigration issues. "It sort of cheapens the immigration process."

How to Get in the Running

New York Times Service

NEW YORK — There is no application form for the new legal residency permit. A letter of application should be sent to: AA-1 Program, P.O. Box 60000, Arlington, Virginia, 22218-0001, U.S.A.

The country of which the applicant is a native must appear on the upper left-hand corner of the envelope. Example: Italy.

The application should include the applicant's full name, date and place of birth, and the name, date and place of birth of the applicant's spouse and children, if any, as well as the applicant's mailing address and the U.S. Consular Office to which a visa registration should be sent.

The residents of the following countries are eligible to apply: Albania, Algeria, Argentina, Austria, Belgium, Bermuda, Britain and Northern Ireland, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Gibraltar, Guadeloupe, Hungary, Iceland, Indonesia, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, New Caledonia, the Netherlands, Norway, Poland, San Marino, Sweden, Switzerland and Tunisia.

Congress Decides On Purge of Alien Subversives' List

New York Times Service

WASHINGTON — U.S. congressional negotiators have approved a measure that would require the State Department to remove more than 300,000 foreigners from a secret list of persons considered ideologically unacceptable to enter the United States.

The bill, which the Senate passed in June and which would give the State Department three years to purge the names, was backed by the administration. A version adopted by the House would have provided six months to purge the list.

The Senate version, which was approved in conference Tuesday, also gave the State Department leeway to put names on another, acceptable list of people who were considered a threat to national security.

The list had its origin in The Immigration and Nationality Act, also known as the McCarran-Walter Act, which was passed in 1952 over the veto of President Harry S. Truman.

The ideological exclusion was used to bar Nobel laureates, including Gabriel García Márquez and Pablo Neruda, the novelist Graham Greene, the singer and actor Yves Montand and the naturalist Farley Mowat. Among political leaders on the list were Ian D. Smith, the former prime minister of Rhodesia, Daniel Ortega Saavedra, former president of Nicaragua, and Yasser Arafat, head of the Palestine Liberation Organization.

Another list, of more than 3 million criminals, will remain in effect.

Sex Survey Succumbs To Political Headache

By Curt Suplee
Washington Post Service

WASHINGTON — A proposed large-scale study of adult sexual behavior, which had been approved for federal funding on the basis of a very high rating by a scientific review panel, has been shelved because officials of the National Institutes of Health fear the project would not survive political opposition from the Bush administration and Congress.

Only a few weeks ago, Edward Laumann, dean of social sciences at the University of Chicago, was notified that his researchers and the National Opinion Research Center had been awarded more than $1 million to study the social patterns that govern choice of sexual partners among 2,500 adults in two cities.

Last week, however, he was told that the funding had been delayed indefinitely because officials of the health institutes were unwilling to submit the request for review to the parent agency, the Department of Health and Human Services.

In July, the secretary of health and human services, Louis W. Sullivan, blocked an $18 million survey of teenage sexual practices. Since then, some health institute officials said, there has been an unwritten rule that "sensitive" grant requests should be evaluated by the secretary's office, which declined to comment on the issue.

The cancellation of the study on teenagers was "unprecedented," said Wendy Baldwin, chief of the Demographic and Behavioral Sciences Branch of the National Institute of Child Health and Human Development, which had approved the Chicago grant.

She added that the climate had been "very odd" since Senator Jesse Helms, Republican of North Carolina, and Representative William E. Dannemeyer, Republican of California, had expressed loud opposition to sex surveys, making congressional support for such research uncertain.

Mr. Laumann said: "The bottom line here is that it's a political judgment, not a scientific judgment. Sure, we're unhappy about this."

His team has been through this before. A few years ago, at the request of the federal government, they designed a survey of sexual behavior to provide data that health officials called "essential" to understanding the spread of AIDS and other sexually transmitted diseases. But the House Appropriations Committee killed funding for the program in July 1989, citing its controversial aspects.

Aquino Sets Terms On Bases Showdown

Compiled by Our Staff From Dispatches

MANILA — President Corazon C. Aquino may abandon a planned referendum on the future of U.S. military bases in the Philippines if a compromise is found on a gradual American withdrawal, her chief aide said Wednesday.

"Once a compromise is agreed upon, we will re-examine the plan," said Franklin Drilon, executive secretary of the presidency.

Mrs. Aquino went on national television Sept. 15 to call for a "people's initiative" in anticipation of a vote in the Philippine Senate to reject the new U.S. lease for Subic Bay Naval base, the largest American military base in Asia.

The Senate voted, 12 to 11, the next day to reject the lease, with the majority describing their action as a demonstration of pride in the Philippines, which was an American colony from 1898 to 1946.

In the aftermath, some senators have suggested a seven-year withdrawal, saying an abrupt pullout would disrupt the economy. Others, opposed to the base, have proposed a two-year period. Washington has told Manila in a confidential report that it wants at least four years, diplomats said.

Mrs. Aquino has expressed support for a seven-year withdrawal but has also indicated she may accept a shorter period.

The treaty rejected by the Senate would have given the United States use of Subic base for 10 more years. The previous U.S. lease on Subic expired on Sept. 16.

While Mr. Drilon was saying the government would study Washington's four-year proposal, the president of the Senate, Jovito Salonga, rejected it. "That's not acceptable," he said in a speech.

Another influential senator, Juan Ponce Enrile, said there was no longer a legal basis for an American military presence. He said U.S. forces should be given a year, at most, to leave.

Senator Salonga urged the Aquino administration to speed up negotiations with Washington on the withdrawal and to make it "irreversible" so that a new Philippine government would not be able to negotiate another bases pact.

"There's a general election next year to pick Mrs. Aquino's successor and a new Senate," a U.S. official noted. "If the compromise is a three-year withdrawal, that would leave three years to work out a new arrangement for Subic. The new Senate may be much more amenable to an agreement."

Politicians and businessmen in favor of the bases are to begin a nationwide signature campaign on Thursday calling for a referendum.

Senator José Lina, who is organizing the campaign, said a referendum would show that most of the country's 62 million people favor keeping U.S. forces and their vote would nullify the Senate rejection.

Under the constitution, a referendum may be held to approve or reject congressional actions if a petition for it is signed by 10 percent, or about three million voters.

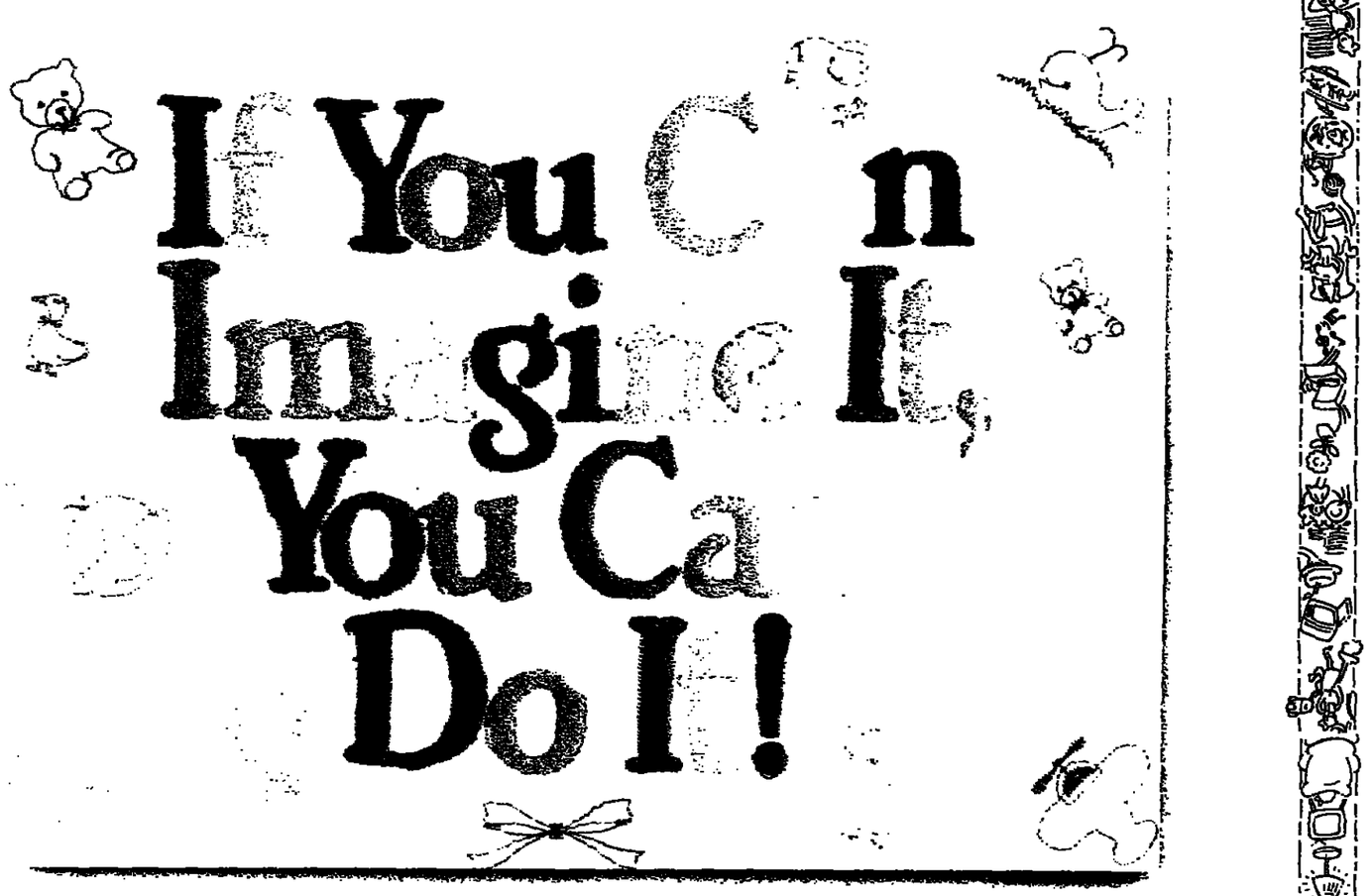
The Philippine trade and industry secretary, Peter Garrucho, said in Hong Kong, that he believed Mrs. Aquino would arrive at an accord with senators against the bases for a phased U.S. withdrawal.

"After all the hue and cry, my own personal prediction is that a compromise will be worked out," he said. *(Reuters, AP, NYT)*

Ça Ne Va Plus à Marseille

Reuters

MARSEILLE — In an apparent settling of gangland scores, a 47-year-old man with a long criminal record was killed with a harpoon outside a bar here, the police said Wednesday. Three men attacked Edmond Depres outside the *Tout Va Bien* (Everything's Fine) bar, and one fired a marine harpoon gun at him at close range.

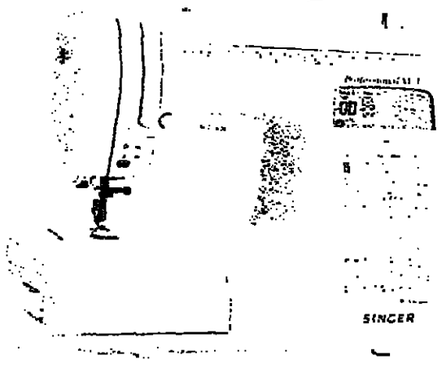


The New Singer XL-1 makes sewing easier, quicker and more professional.

A modern sewing machine should let you spend your time designing and creating, not figuring out how it works. That's the beauty of Singer's new computerized XL-1. It's so creative, yet it's so easy to use.

Here are just some of the features that will bring the beautiful results you want.

- Choice of 20 built-in embroidery and design motifs and a huge selection of decorative stitches.



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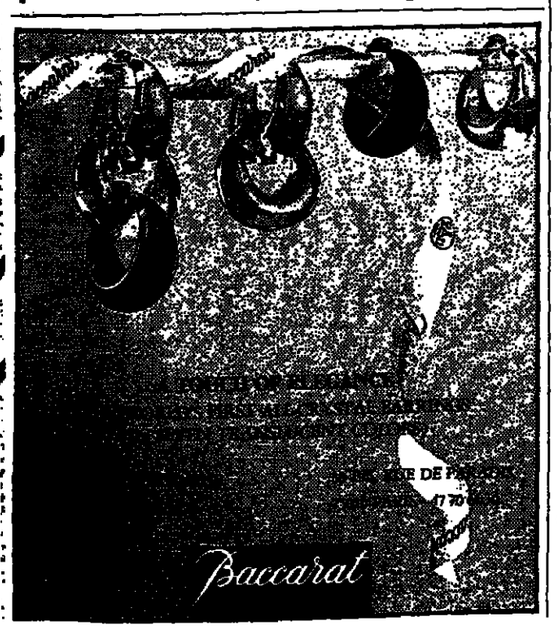

Herald Tribune
INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

Enmity Can Be Surpassed

Like all the other truces of the past bloody summer in Yugoslavia, the cease-fire signed on Sunday has had a very modest effect on the continued fighting. Serbs and Croats persist in their single-minded determination to murder each other, but peacemaking requires at least a minimal interest in peace on the part of the combatants. That is still lacking in this civil war. All that the outsiders — the United Nations, the United States, the European Community, the Soviet Union — can do is keep reminding Yugoslavs that when they are ready to deal rationally with each other, there are plenty of countries ready to help and support them.

While deeply entrenched ethnic and national hatreds feed the warfare in Yugoslavia, it is useful to remember that these kinds of enmity are not ineradicable. Wise politics have transformed other European hostilities that half a century ago were far older and soaked in more blood than Yugoslavia's. After four and a half years of German occupation, France in 1945 had plenty of reasons to pursue the politics of vengeance. But magnanimity and statesmanship in both countries have made them firm allies, more secure and prosperous than either had ever previously been. A united Germany and Poland have now signed a treaty pledging peaceful borders and respect for the rights of ethnic minorities. Those are the two elements that are essential to any peace among the Yugoslav republics, and if Poles and Germans can make peace under the weight of an abominable history, Croats and Serbs ought not find it beyond them.

Yugoslavs have a choice. The Serbs in particular are following leaders who for their own reasons do not want a reasonable peace. But if they can shake off these men and work toward a real truce, Yugoslavs can make themselves part of a democratic Europe that will provide them with unprecedented access to markets and opportunities for growth.

But if the Yugoslavs stay on their present course, the fighting will continue until the Serbs supported by the federal army have taken as much of Croatia as they want. They will then call for an end to the war, to which the Croatian response will be continued guerrilla attacks while the whole country grows rapidly poorer and more chaotic. The rest of the world is not likely to give any very high priority to aid for a people whose miseries are so clearly self-inflicted. Perhaps, as winter approaches and the implications of their collapsing economy become clearer, Serbs and Croats will begin to reconsider the price of giving free play to ethnic passions. But, unhappily, there is no sign of any second thoughts so far.

— THE WASHINGTON POST.

An Ethnic Compromise

There is suddenly hope that warring peoples in Eastern Europe and the Soviet Union can learn to live together in peace. The hope springs from an agreement this week between Armenian and Azerbaijani leaders settling a fierce dispute in the ethnic enclave of Nagorno-Karabakh. The territory will remain part of Azerbaijan, local self-government will be restored and outside negotiators will be available to resolve future disputes.

The agreement, mediated by president Boris Yeltsin of Russia and the president of Kazakhstan, Nursultan Nazarbayev, offers a formula that could help other former Soviet dominions avoid the nightmare of nationalist slaughter. Mr. Yeltsin has hinted at the possibility of further mediation attempts.

The Nagorno-Karabakh settlement may not quickly translate into peace at the village level, where bitterness born of recent violence and ancient hatreds runs deep. But the three elements it is based on — respect for existing boundaries, protection of minority rights, and outside supervision — could apply equally to all peoples fated by history to live under another's flag.

Most of the people living in Nagorno-Karabakh are Armenian. In the 1920s Stalin transferred control over the region to Azerbaijan, and created a buffer strip separating it from the Armenian Republic. Most Armenians are Christians. Most Azerbaijanis are Muslims; they speak a Turkic language, and many Armenians see them as the successors to the Turks they hold responsible for genocidal attacks nearly a century ago.

In 1988, when the Armenians of Nagorno-Karabakh began pressing for reunion with Armenia, Azerbaijanis resisted violently. After armed clashes, Soviet authorities once again took the Azerbaijani side. Autonomy was suspended, and Nagorno-Karabakh was put for a time under direct rule from Moscow. The Kremlin later returned control to the Azerbaijani Republic. Many people feared that the collapse of central authority could only worsen problems like Nagorno-Karabakh. In this case at least, decentralization appears to have helped.

Armenians have been more willing to trust the impartiality of Mr. Yeltsin and Mr. Nazarbayev than they were Mikhail Gorbachev's central government. They are now ready to agree to a return to the pre-1988 arrangement of local autonomy under overall Azerbaijani control. Should problems arise later, Russia and Kazakhstan will be available to mediate once more.

Exhaustion on all sides played a role in resolving this conflict, but exhaustion is another word for the realization that peaceful coexistence is better for everyone than unending conflict. There is a lesson and a model in this outcome that others — Yugoslavia, for starters — would do well to heed.

— THE NEW YORK TIMES.

For the UN's Good Name

George Bush's call for the General Assembly to repeal its resolution of 1975 equating Zionism with racism was at once interpreted as a friendly gesture to Israel at an otherwise tense moment in American-Israeli relations. It would be good if the Bush appeal did have the effect of reminding Israelis of Washington's continuing commitment and regard. Many Americans, too, would surely applaud a vigorous American effort to put repeal to a prompt vote and to smoke out states still reluctant to acknowledge their surrender to the prejudices of an earlier, darker day. That the Soviet Union, one of the original principal offenders, is ready to renounce what its foreign minister on Tuesday called this "obnoxious" resolution bodes well for the count.

The Arab governments ought to be particularly ready to strike this sickening text, most of all those among them who profess to be champions of the Palestinians in whose name they gleefully whooped the resolution through. Any hesitation on their part can only be regarded as retrograde and out of keeping with current, rising standards of international discourse. To support keeping this resolution on the books will not fail to undermine the common ground on which the United States and most Arab states stood in the Gulf war — a war in which Israel was on the same side as those Arab states and in which it played its own role of strategic discretion. Sanctioning repeal is a minimal contribution that others can expect Arabs to make to the Middle East peace process being organized now.

But it is not really Israel and either its longtime friends or its longtime adversaries that have the greatest interest in repeal. The true victim of this insupportable slur on a member state's core legitimacy was the organization — the General Assembly — that enacted it. Passage of the Zionism resolution topped off a series of actions by which the one-nation, one-vote assembly forfeited its claim on the respect of decent people everywhere and sank into a slough of irrelevancy, which it is still trying to climb out of. It is the assembly that has the greatest reason now to repudiate this stain on its honor and utility. President Bush put it very precisely: "This body cannot claim to seek peace and at the same time challenge Israel's right to exist."

— THE WASHINGTON POST.

News From 200 B.C.

The Dead Sea Scrolls, held captive for four decades by researchers, are now under welcome attack from guerrilla scholars. Two biblical scholars have published a computer-generated version of a scroll reproduced from an index called a concordance. Now the Huntington Library in California has surprised the world with photographs of the scroll manuscripts. It is opening them to all scholars, a just and valuable act. Dramatic news flashes? Maybe not, but the photographs should speed research immeasurably. Scholars may soon know a lot more about the roiling religious currents that produced Christianity and modern Rabbinic Judaism.

The first of the 800 scrolls were discovered in 1947 in caves along the Dead Sea's western shore. The international team that has controlled them has operated in clannish and clandestine fashion, releasing its findings at an agonizingly slow rate. But even the little that is known of the scrolls suggests a treasure trove. They have already shown that the period from 200 B.C. to A.D. 70, between the Old and New Testaments, was a period of many sects, some closer to what emerged as Rabbinic Judaism, some more similar to what eventually became Christianity.

The scrolls are divided into biblical and non-biblical texts. The biblical scrolls include the earliest known versions of books from the Old Testament. Perhaps as many a half of these have been published. But the most tantalizing are the non-biblical texts — chronicles, commentaries and laws. They remain to be seen by the public.

Among the most exciting of the unpublished scrolls is the "Son of God" text, the clearest example of a messianic statement in the inter-testamental period. The phrase appears later, in Luke. The "Son of God" document could thus give researchers a clearer picture of the origins of some elements of the New Testament. The document may also have been in circulation before Jesus appeared and then been applied to him. The final answers will depend on what the photographs yield. But at least the scrolls will have the wider audience they have long deserved.

— THE NEW YORK TIMES.

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The Soviet Relief Drive Will Need a Chief

By Jim Hoagland

NEW YORK — It is time to bring back Herbert Hoover. No, I am not advocating cloning the unfortunate Republican president who saw soaring popularity ratings leveled by an unexpected Depression. I have in mind the earlier Hoover who organized and ran the international relief campaign that saved Soviet citizens from human disaster in the 1920s.

The full extent of the economic catastrophe that the former Soviet Union faces this winter has registered on Western leaders in the past month. They have also focused on the damage that an abrupt Soviet collapse could do to the global financial system.

The central authorities in Moscow have run out of foreign currency. A senior Moscow official made the embarrassing admission to a Western leader recently that his government will be unable to make foreign loan payments, purchase imports or meet its payrolls abroad without an immediate cash infusion of $1 billion from the West in the next few weeks.

But organization of a coordinated global response is a still fumbling, hesitant thing. Disagreement among the Group of Seven leaders over what needs to be done has largely disappeared. But it has not been replaced by agreement on how to raise and deliver emergency food aid and provide bridging loans before General Winter, who wasted conquering armies led by Napoleon and Hitler, lays siege to the Russian countryside again.

The Hoover experience shows the need for a high-profile, respected international figure to lead the effort. Such an appointment by the G-7 leaders would mobilize and focus public opinion in the West. A Hoover figure would provide direction to a campaign that will be buffeted by competing national and international bureaucracies. An international heavyweight trusted in Moscow and in the West will be needed to keep a tight rein on emergency food and new loans, to ensure that both are delivered as intended.

Before Aug. 19, I was among those who resisted providing financial help to Mikhail Gorbachev's government as long as he refused to abandon reform communism. The inconclusive response of the G-7 July summit in London to Mr. Gorbachev's inconclusive pitch for help seemed about right. It made no sense to try to prop up collapsing totalitarian structures with Western financial aid while Mr. Gorbachev rejected the changes needed to stop the rot.

But the failed coup produced a rare moment that should be grasped before it vanishes: A defeated superpower is not only willing but eager to have its former adversaries establish an intrusive presence on its soil to distribute relief to its citizens and create a modern financial system.

Mr. Gorbachev, Boris Yeltsin and the others know that a giant vacuum is spreading across the internal Soviet empire. They also know that oil and gas production is falling precipitously, with exports off 40 percent since the beginning of the year. The grain harvest is likely to be down 20 percent from last year's bumper crop.

Western visitors to Moscow since the coup, including British Prime Minister John Major and U.S. Treasury Secretary Nicholas Brady, have found their interlocutors candid about the desperate plight they face. "They are broke, dead broke, and in private they say so," confides a European cabinet minister.

A Band-Aid loan would lead to a rescheduling of the existing $60 billion Soviet foreign debt, nearly one-third of which is owed to German institutions, and to an orderly selling of Soviet gold reserves on world markets. Serious behind-the-scenes efforts have been mounted to avoid a unilateral Soviet debt moratorium and the retaliatory shutting off of any new credit that a moratorium would trigger.

Visitors to the White House report that President George Bush now appears to have "an open mind" on accelerating Soviet membership in the International Monetary Fund and the World Bank. He had previously opposed direct membership, which would enable Moscow to borrow immediately from the IMF and the World Bank. But Mr. Gorbachev's pledge to end military help to Cuba and Afghanistan removed the political obstacles that Mr. Bush had cited in opposing U.S. financial help to Moscow.

At the same time, Japanese officials feel that they have made significant headway in the past month toward resolving the Kuril Islands territorial dispute that has blocked Japanese aid.

Naming a relief and financial assistance coordinator now would capitalize on this shift in momentum. Continuing to drift in the face of a Soviet tragedy in the making would be irresponsible.

The Washington Post.

The Pope Should Make the Short Flight to Croatia

By Robert D. Kaplan

POTOMAC, *Maryland* — The war in Yugoslavia has put the Vatican in a position of extreme sensitivity. Now that the European Community initiative appears to have failed, the Holy See must come out from the shadows — not just to help but also to clear the past.

The Roman Catholic Church, in addition to being a focal point of national resistance in Croatia, has played a role in the history that has led to the current bloodshed.

In April 1941, the Zagreb archbishop publicly welcomed the creation of the Nazi puppet state of Croatia, whose internal security apparatus was responsible for the slaughter of Serbs in the same border areas where fighting is again taking place.

Although Cardinal Aloysius Stepinac secretly aided Serbs and Jews from 1942 onward, his public appearances with leaders of the Ustachi, the Croatian fascist movement, lent a tragic ambivalence to his wartime record and thus to that of the Vatican.

For several years before the breakup of Yugoslavia, Pope John Paul II expressed a desire to visit Croatia. In Hungary last month he reiterated this hope, but added that such a visit would have to be in the "future." Why, having traveled to the four corners of the earth, has the Pope never made it to this intensely Catholic nation next door to Italy and the Vatican?

The stumbling block was apparently his desire to pray at Cardinal Stepinac's tomb in Zagreb. The Pope sees the archbishop, persecuted for his refusal to compromise with Marshal Tito's Communists, as a hero like the Polish priests who resisted decades of Soviet hegemony.

But the Serbian-dominated government in Belgrade saw the Pope's wish as a way to whitewash Croatia's role in the wartime holocaust of Serbs. Belgrade could not have countenanced a papal visit without a stop by the Pope at Jasenovac, a Ustachi-run death camp near the Croatian-Bosnian border where much of the slaughter occurred.

But within this dispute lie the seeds of a wider solution. There could be a papal visit to Croatia that would include not just a prayer at the Stepinac tomb and at Jasenovac but also at the monument in Zagreb to the late 19th century Croatian Archbishop Joseph Strossmayer, who fought for communal tolerance between Catholics and Orthodox Serbs.

The Vatican is clearly nervous about getting too closely involved in the current conflict. A visit would open a Pandora's box of questions about its relationship with the fascists. And the current fighting would make it impossible to center a papal visit around a prayer at the Stepinac tomb.

The Pope can come to Zagreb only as a figure of intercommunal reconciliation. In other words, he has to don the mantle of Archbishop Strossmayer and speak even more loudly and persistently than he has about ecumenism and Christian unity between Catholics and the Eastern Orthodox.

The church has to admit some culpability in what happened during World War II, while condemning today's Serbian aggression.

The Pope, unlike the European Community, has real power in Croatia. He alone enjoys the prestige to calm extremist elements, which might have the effect of calming the Serbs as well. A papal visit to Yugoslavia could accelerate a peace process just as the Pope's visits to Poland in the 1980s quickened the pace of Moscow's imperial disintegration.

Conspiracy theories about the Vatican's intentions have been circulating among Serbs for years. A direct public overture by the Pope, delivered at the death camp where many of them died, could erase some of these suspicions.

There is no issue anywhere in the world that should concentrate the moral will power of the Pope the way Yugoslavia does. Here is Christendom's millennium-old feud between Western Catholicism and Eastern Orthodoxy in its crudest, bloodiest terms, an hour's flying distance from the Vatican.

The writer has reported extensively on the Balkans for The Atlantic and The New Republic. He contributed this comment to The New York Times.

Japanese Troops Should Help the UN Keep Peace

By Takujiro Hamada

The writer is a Liberal Democratic member of the Diet and a former deputy foreign minister.

TOKYO — The Diet is expected to pass a bill soon allowing Japan's Self-Defense Force to take part in United Nations peacekeeping operations. The bill has great significance.

The fact that there has been little debate is itself significant. An attempt to pass a similar bill late last year failed due to strong resistance from opposition parties, in a climate of public opposition to deployment of the military outside Japan. In the last year, public opinion and the stance of the opposition parties have changed dramatically.

Our experience during the Gulf crisis caused many Japanese to begin to rethink fundamental attitudes toward international peace and stability, attitudes that have dominated Japanese foreign policy since World War II.

Douglas MacArthur said that Japan should become the "Switzerland of the Far East," and most Japanese, along with the international community generally, embraced that concept.

The Gulf crisis highlighted the shortcomings of Japan's passive approach to international political problems. Although Japan provided $13 billion to support the U.S.-led effort, Tokyo's overall contribution was roundly criticized as inadequate from a leading economic power.

The Gulf crisis also produced a new appreciation of Japan's responsibilities as a member of the democratic community. This has raised the foreign policy debate to a more mature level.

Events of the last year have revealed how badly outdated some of the clichés of the post-World War II policy debate have become. For example, before the Gulf crisis many Japanese believed that taking an active role in solving an international security problem would start Japan down the path to remilitarization. But anyone who cited such fears in opposing a Japanese contribution to the U.S.-led coalition has been clearly on the defensive since last fall.

Another cliché was the idea that Japan's Asian neighbors would object to any dispatch of its military overseas. The minesweeper force sent to the Gulf in April received a warm reception in the Philippines and Singapore, and other Southeast Asian states have expressed general support for it. Visits by the prime minister and other cabinet members this year to East Asian capitals have confirmed that there is no significant opposition to Japan playing a larger role in international security affairs under UN auspices.

The adoption of this law will be a watershed for Japan. For the first time, Japan is codifying in law the idea that we share the burden for ensuring international peace and stability, even when Japan itself is not under direct threat.

In assuming this greater burden, Japan has no desire to "go it alone" — to develop an independent security posture. But we Japanese require a legal basis for a larger global political role that goes beyond the focus in the Mutual Security Treaty on the defense of Japan. The United Nations Charter provides this framework.

The UN collective security system ensures against the danger of one country defining international justice only in terms of its own interests, or enforcing its own strategy for dealing with international aggression.

Japan, like most countries, was greatly encouraged by the dynamic role played by the United Nations in resolving the Gulf crisis. Building on this base, we want to continue to strengthen the ability of the UN to meet the high ideals of its founders and become the world's key organization for securing global peace.

Sending Japan's Self-Defense Force for UN peacekeeping operations is the most appropriate contribution the country can make to achieving that goal. With its modern logistics, transportation and communications capabilities, the Japanese force can assist in UN cease-fire supervision and border security operations.

More specifically, Japan is aiming at a significant level of participation in UN efforts to resolve the long civil war in Cambodia. Japan has been involved in attempts to reach a political solution to the Cambodian conflict, and as an Asian security problem it is a natural area for Japanese participation. The UN-brokered plan to restore peace in Cambodia and ensure free elections requires a peacekeeping force with a wide range of security and administrative functions, and the Self-Defense Force and other Japanese officials are well-suited to take a leading role in this effort.

The United Nations should examine the feasibility of creating a permanent UN military force. Rapidly deployable light infantry with air and naval support could provide a low-cost deterrent against regional and low-intensity conflicts. Since the troops would be operating under UN command, Japan could participate in a major way in this standing force.

The quiet surrounding the bill may indicate that both the Japanese and the international community view this process as a natural evolution.

International Herald Tribune.

Soap Opera in Cuba: Businessmen Save Socialism?

By Elizabeth Pisani

HAVANA — Cuba, swallowing its Communist pride in the search for new friends, has laid on an effusive welcome for the right-wing Spanish politician Manuel Fraga.

Mr. Fraga, once a cabinet minister under Franco, comes in the guise of president of the provincial assembly of Galicia, the northwestern province which fed Spanish emigration to Cuba. Diplomats say the veteran politician received in the small hours of Tuesday by Fidel Castro is being accorded honors normally reserved for a head of state.

During his seven-day visit he is to meet several of Cuba's top Communist Party officials and visit Galician immigrant communities and the central Cuban town of Manati, where he lived as a child.

"It's a soap opera," a local analyst said. "Communist maverick in search of friends meets fascist fossil in search of roots, and they live happily ever after — that sort of thing. Fraga has no power: it's all symbolism. But to choose someone so far from the socialist fold is pretty strange symbolism."

Banners in Havana saying "Welcome President Fraga" seem to be a public relations exercise aimed at a domestic audience beginning to feel that its nation is friendless. But there is also a business angle. Mr. Fraga has brought more than 50 businessmen.

Havana is still reeling from the collapse in Moscow. Earlier this month, Mikhail Gorbachev announced that he intended to pull remaining troops out of Cuba, which has lived in the Soviet economic and military shadow for most of Mr. Castro's 32 years of rule. He insists that he will keep Cuba Communist at all costs. But what if the cheap oil and other goods from the Soviet Union evaporate?

The troop withdrawal was clearly intended to score points with Washington, said a Communist Party intellectual speaking privately. Washington maintains an economic embargo, and disgruntled European diplomats say the United States tries to use its economic clout to stop other countries from doing business with Cuba. "Of course it's possible, even likely, that the Yankees will pressurize even the Soviet Union into joining" the economic blockade," the Communist intellectual said.

Anti-American rhetoric reflects the deep unease of senior party leaders. The United States "thinks Cuba has been abandoned and is on the verge of being sacrificed; [Washington] is rubbing its hands in anticipation of the feast following the collapse of the revolution," said the official daily Granma in an editorial last week. "Cuba will never allow itself to be handed over or sold to the United States, and to avoid a return to slavery we are prepared to fight to the death." The editorial carried the first official comment on the Soviet troop withdrawal, portraying it as a betrayal.

Ordinary Cubans, already living with their backs to the wall, are full of black humor about the "socialism or death" speeches. Long lines form in every city in the country on rumors that a shop will soon be getting milk, bread or cigarettes — which, along with clothes, gas and almost everything else, are rationed. Public transport outside the capital is more or less nonexistent for lack of fuel. Newspapers, when available, exhort farmers to use animals and human muscle in harvesting to save petrol.

"Things are frankly pretty damned bad and they are going to get a lot worse," said an electrical engineer working as a bus mechanic. Asked what he thought should be done, he shrugged, "What can we do? Someone will have to help us."

The Soviet Union has long used subsidized trade to channel up to $5 billion a year in aid to the island. But after this year, it appears, Havana will have to play the same hard-currency game as the rest of the world.

Hence the search for new friends and particularly for new investment. "They need help and dollars badly and they'll go to almost any lengths to get them," a Western diplomat says. Cuba's laws say foreigners can own up to 49 percent of a joint venture, but diplomats say the cash-hungry government has shown that it is prepared to deal on much more favorable terms. "Some businessmen feel this is a good time to get in and wring out a really good deal. They believe no government lasts forever and any subsequent regime here will be more free-enterprise orientated and likely to honor old agreements," the diplomat said.

Spain, former colonial master of Cuba, already leads the field in foreign investment, mostly in tourism. And the government has been actively wooing Japanese firms with debt-for-equity deals that would wipe out some of the $1.7 billion that Cuba owes to Japanese banks and companies. "A party official said recently he would deal with the devil to keep the socialist economy going," joked an ex-student sent home, like thousands of young Cubans, because the government cannot afford to feed students in hostels. "He may well have to."

The writer, a free-lance journalist, contributed this comment to the International Herald Tribune.

The Despots Aren't Sure They Like It

By Leslie H. Gelb

NEW YORK — Why didn't world leaders and diplomats applaud President George Bush's speech to the United Nations on Monday? Wasn't he finally shelving stale Cold War rhetoric and moving on to the new agenda in world politics: freedom, democracy and economic progress — the agenda so long so dear to United Nations members?

It may be because of a revolutionary message about humanitarian intervention barely audible throughout the text, a message nonetheless sensed by representatives of despots and democracies alike, which frightened all with its implications — seemingly even Mr. Bush, by the time he finished.

This explanation seems plausible, because otherwise the United Nations dog should have barked at the sound of Mr. Bush's kindly words. His speech, after all, met the usual standards. It was general, pious, uncontaminated by specifics and delivered in the flaccid manner proven to animate diplomatic ovations.

True, Mr. Bush did not promise to pay the hundreds of millions in back U.S. dues, and nobody likes rich deadbeats. Granted, he also failed to provide the obligatory five-point plan to resuscitate UN machinery.

A more grievous Bush error, to many UN members, was to propose that the United Nations rescind its resolution condemning Zionism as a form of racism. Most member states (unfamiliar as they are with ill treatment of their own citizenry) were upset at the thought of lifting just about the only moral judgment they could ever agree upon.

It would seem that most UN members wish UN interference in the internal affairs of states to end right there, with Israel. Full stop. But what Mr. Bush was sometimes saying and sometimes hinting was that he would go much further — to question and attack the centuries-old notion of sovereignty that permits states to do what they will with their own people within established borders.

When he spoke of "collective settlement of disputes," he was talking not only of joint action against external aggression but also of "international cooperation" against internal feuds and injustices. That could apply to most UN member states where freedom and democracy are concepts to be debated only at international conferences far from home. Try China or Syria for starters.

Referring to "nationalist passions," Mr. Bush went on to say that no one can "promise that today's borders will remain fixed." This must have been like a stake in the heart of most attendees. To begin with, think of Yugoslavia and Tibet, Spain and its Basque separatists, most African states or India.

"Despots ignore the heartening fact that the rest of the world is embarked upon a new age of liberty," Mr. Bush proclaimed. If he had stopped there, his listeners might have shrugged off the rhetoric. But any doubts about his meaning must have been removed when he made clear that economic sanctions against Iraq would remain in force as long as Saddam Hussein "remains in power." His stated aim was not simply to roll back Iraqi aggression against Kuwait, but to eliminate an undesirable regime.

Mr. Bush was declaring for natural law, for "inalienable human rights" above the laws of states. He was telling his worried listeners that now is the time for the United Nations "to resume the important business of promoting the values that I've discussed today." What could be more revolutionary, more threatening to the regimes that inhabit the United Nations? But who would decide when states offended natural rights? The United Nations? The United States? And who would intervene to protect the oppressed, and how?

Perhaps President Bush's speech writers chose this challenging rhetoric without understanding its full implications. In any event, in the last-minute scramble over the draft, someone — perhaps it was Mr. Bush — must have glimpsed the approaching philosophical precipice. For at the end the text veered unexpectedly off in a contradictory and reassuring direction. Mr. Bush said the United Nations "should not dictate the particular forms of government" for nations, and that in his "new world order" no nation "must surrender one iota of its own sovereignty."

The speech ended about there. Leaders and delegates applauded politely and respectfully. But they did not like what they thought they had heard, nor the debate it may inspire.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Occasional Spouse

PORTSMOUTH — An extraordinary state of affairs was disclosed here to-day [Sept. 25] during a coroner's inquiry into the circumstances attending the death of a woman who the jury ultimately found had committed suicide by taking laudanum. A dockyard laborer and a dockyard shipwright presented themselves, and each claimed to be the husband. Both had separated from her on account of her intemperate habits. A witness stated that she knew the deceased to have also been married to another man in Scotland. One of the husbands present undertook to defray the funeral expenses, and the other immediately withdrew in his favor.

1916: Turkish Surrender

LONDON — A despatch from Cairo officially confirms the capitulation of the Turkish forces, which, after the uprising in Taif against the Turks, took refuge in the forts dominating the high town. The fall of Taif is hardly less important than that of Mecca. This new success strengthens the confidence of the Mussulmans in the victory of the Shereef, and the number of pilgrims from India, Algeria, Tunisia and Morocco testifies to their sympathy for Sultan Hussein.

1941: Serbs Against Axis

ROME — [From our New York edition:] Recuperation by Italian forces of a so-called demilitarized zone in former Yugoslav Dalmatia to end disorders was revealed here today [Sept. 25] coincident with a press report that said merciless fighting in which "no prisoners are being taken on either side" was being waged between Serb rebels and the Axis-sponsored Croatian Fascist regime. The report said Ante Pavelich, Chief of State, had just warned the 1,500,000 Serbs in Croatia — described as enemies of the Pavelich regime — that anyone who opposes the present order would be eliminated inexorably.

OPINION

If You Have Children, Care for Them

By George F. Will

WASHINGTON — The judge, told why Linda Marrero's parents chained her to the radiator in their Bronx apartment, reduced the charge. Besides, Linda, 15, says her parents were acting in her best interests. She is what is called an "at risk" child. And how.

The New York Times details the long trek through the social services labyrinth that convinced Linda's parents that her problems "were not going to be solved through government." In the two years since she dropped out of sixth grade she has taken to disappearing into the New York nights where gunfire resonates. She was gone days, then weeks doing drugs, returning battered. In July, when drug dealers returned her at gunpoint, demanding money, her parents chained her.

The most important point about Linda is how lucky she is. She has a father at home, and a mother who said to him, "Go buy me a chain and two locks." Imagine how it is for single mothers when the siren of the street calls, particularly to male children.

In 1960, 5 percent of American births were illegitimate. (Such "judgmental" language had not yet fallen from favor.) In 1988, 26 percent were, including 63 percent of black babies. This behavioral change is the main reason why almost one-third of all American children are paupers at some point before they are 18.

In 1965, Pat Moynihan wrote: "From the wild Irish slums of the 19th century Eastern seaboard to the riot-torn suburbs of Los Angeles, there is one unmistakable lesson in American history: A community that allows a large number of young men to grow up in broken families, dominated by women, never acquiring any stable relationship to male authority, never acquiring any rational expectations about the future — that community asks for and gets chaos."

Mr. Moynihan's anticipation of today's urban chaos was written when some dry data were signaling a dangerous disfunction. The welfare of children was no longer varying directly with the labor market.

Before then, when unemployment declined, so did new welfare cases. But suddenly dependency was an independent variable, increasing irrespective of the economy's performance. As Lawrence Mead of New York University says: "The inequalities that stem from the workplace are now trivial in comparison to those stemming from family structure. What matters for success is not whether your father was rich or poor but whether you had a father at all."

Last February, Senator Moynihan wrote a passage for a Democratic report about children being the largest portion of America's poor and so many of them being paupers at some point. He wrote: "All this is new. This circumstance did not exist during the New Deal era, half a century ago. It did not exist during the era of the Great Society, a quarter-century ago."

Some Democratic staffers "corrected" what they assumed was an error, so Mr. Moynihan's passage read: "This circumstance was not as recognized during the New Deal, a half-century ago, nor during the era of the Great Society."

Such flinching from the fact that the problem is radically new is, Mr. Moynihan says, "becoming the liberal orthodoxy." Flinching is a way of clinging to this comforting assumption: Macroeconomic conditions, which government can influence, can be relied on to improve the conditions of poor people. That is decreasingly true for the millions whose life chances are spoiled by family structure.

This crisis has come upon Americans at a time when, and partly because, children are a direct concern to only a minority of adults. This, too, is new.

A century ago, only 20 percent of American households were without children under 18. Today 65 percent are. So only a minority of adults, and of adult incomes, are involved on behalf of children. Government policy reflects the fact that children are a minority interest.

We know precious little about how government policy can get a purchase on the problem of "behavioral poverty" — poverty rooted in habits and character traits. The challenge, to which government is now at most marginally relevant, is to stimulate what has been called (by Professor Chester Finn of Vanderbilt) "social capital accumulation."

By social capital Mr. Finn means the morals, mores, habits and norms that are the lessons learned from billions of human experiences over thousands of years. Many of the lessons pertain to families and parenting.

As he says, we need to teach and preach and be as censorious about these things as we are about smoking, cholesterol, recycling aluminum cans, experimenting on animals and saying rude things on campuses. For starters, people must come to believe that if they are going to have children, they have an obligation to care about them as fiercely as Linda Marrero's parents care about her.

Washington Post Writers Group.

Yes, They Should Have Told Us About Pushkin

By Hugh B. Price

NEW YORK — "Was Cleopatra black?" That question, posed recently on the cover of Newsweek magazine, encapsulates the raging debate in the United States over multicultural education in the schools.

Mainstream academicians say multiculturalism mangles history.

Aggrieved minorities and women claim that history texts are full of glaring omissions, cultural stereotypes and misrepresentations of their histories.

These accusations ring true to me as an African-American.

I grew up in Washington and am old enough to have attended segregated schools and witnessed the onset of integration. In the newly integrated schools of the 1950s, we were taught one version of the Civil War — the Southern version. Of course, there was another version of the war that we were not taught. And those contrasting versions clearly were the product of conscious decisions by historians, textbook publishers and school teachers.

I was an adult before I learned that Alexander Pushkin and Alexandre Dumas were partly black. No anthologies in my high school or college courses mentioned those facts. This pattern of denial and duplicity helps explain the deep-rooted suspicions among minorities and women about the accuracy of history taught in the schools.

Is it even necessary to present all history as settled truth?

Where there is sharp disagreement, for example, between traditionalists and Afro-centrists over the ethnicity and contributions of Egypt, why not pose the contrasting positions to students as propositions to be studied?

MEANWHILE

Teach them how to use primary sources, weigh evidence, critique arguments and form their own views.

Those aspects of my early education that did pay homage to African-Americans made a huge impression. We were taught that Ralph Bunche, the statesman, won the Nobel prize for bringing peace to the Middle East in the late 1940s; that Dr. Charles Drew discovered blood plasma and saved the lives of many American soldiers in World War II. In other words, we learned that blacks were of value to society, whether others thought so or not.

It is impossible to overstate the impact of this individual and collective self-confidence on our will to succeed.

We may argue that instilling self-esteem is not the province of schools, but we delude ourselves if we think there is not a link between self-esteem and achievement. Or that the nexus between schools and well-functioning families has not done this all along for white children. If schools are to succeed for the millions of minority children who lack support at home and in the community, then educators must fill this void in the children's lives.

Multiculturalists also challenge the melting pot metaphor. It is said that most people who have emigrated to the United States over the years have arrived expecting to become un-hyphenated Americans. The trouble is that the melting pot still excludes many minorities and women. It took decades of marches and lawsuits to eradicate official segregation. Yet housing and employment discrimination persist.

Growing economic hardship may lie at the heart of ethnic tensions. How can we expect millions of Americans, a disproportionate number of them minority members, to embrace, much less treasure, Western history and values when they are under economic siege?

I wonder whether those who worry that multiculturalism will ruin the melting pot have not misread American history. Isn't it the opportunity to breathe politically and advance economically that has lured millions of immigrants to American shores?

That is the attribute that defines our society, bonds us together and sets our nation apart from others.

Were those who preach inclusiveness truly to practice it, then perhaps our collective anxiety about the growing intolerance and insularity in America would, shall we say, melt away.

The writer is vice president of the Rockefeller Foundation. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Rougemont as Prophet

In 1957 Denis de Rougemont, in "Man's Western Quest," prophesied thus: "I cast my mind forward to the end of this century, and I see that the problem will no longer be in the least capitalism or communism, U.S.A. or U.S.S.R. On one side will be the still underdeveloped countries which will have doubled their population, and on the other side countries that will more or less balance their production effort. The great anxieties of the years of the Cold War will either have dropped into the background, or else have been forgotten. The situation of the Soviet Union (helped by the West?) will have improved so much that the Russians will now belong to the side of the haves, and be faced by China, the leading country on the side of the have-nots. Everything will then be ostensibly reduced to the thousand-year-old dialogue between the poor, populous but religious East and the profane, rich and less populated West."

Predictions belong to prophets. A nation's fate, whether East or West, can still be decided by its people.

JEAN AFTEN.
Montrésor, France.

Abortion and Rhetoric

Regarding "Why I Stopped Doing Abortions" (Meanwhile, Sept. 18) by Dr. George Flesh:

I would like to commend George Flesh for revealing the culture of death that easy abortion has brought us. Indeed a society is depraved when a child is destroyed simply because a law partnership is imminent or summer vacation has already been planned.

Passion and rhetoric frequently cloud the abortion debate, leaving little room for intelligent discussion. But Dr. Flesh's facts come from hundreds of abortions and years of experience. He speaks from his competence, not his emotion. As he so ably shows, elective abortion has precious little to do with "choice," and everything to do with life and death.

FREDERICK EICHBERG.
Rome.

Not-So-Common Virtues

In response to the editorial "A Common Man's Man" (Sept. 9):

The editorial eulogizing Frank Capra and his belief in the fundamental goodness of the common man stood in sharp contrast to Tony Kornheiser's article, "For Men's Tennis, Stardust Memories and Perhaps a Ray of Hope" (Sports, Sept. 10). Mr. Kornheiser finds that Stefan Edberg has the "personality of a potato" because he embodies just those attributes which Mr. Capra liked: modesty, sportsmanship and good manners.

Mr. Kornheiser's "heroes" are John McEnroe and the allegedly reformed Jimmy Connors, foulmouthed proponents of arrogance and rudeness. They apparently provide more entertainment value. But honestly, folks, who would you want your children to emulate? An Edberg or a McEnroe?

PHILIP PICURI.
Kilchberg, Switzerland.

Andy Capp Makes Trouble

I should like to add my voice to those of your unhappy readers who are saddened by the disappearance of Andy Capp and his replacement by the moronic Calvin. I only hope we are numerous enough for you to reverse your decision.

BERNARD VOLKER.
Paris.

I wish to register my great disappointment at seeing Andy Capp disappear from your comics page. This mature strip always managed to provoke a chuckle, even on dismal days. We all hope you will reconsider this tragic action and bring our hero back.

GEORGE J. MAHL.
Madrid.

Please return Andy Capp. Calvin and Hobbes is fine. If you drop anything, my vote is against Garfield. Or Rex Morgan.

WALT WELLES.
Isle Ornsay, Isle of Skye, Scotland.

I go out of town for three weeks and while I'm away you cancel Andy Capp. If you don't reinstate him how can you call yourself an international newspaper?

R. C. MUNRO.
London.

If you need to prune, kill Garfield.

KELLOGG SMITH.
Miradoux, France.

Andy Capp is missing. What gives?

JAMES W. McWILLIAMS.
Cascais, Portugal.

At least you could have said "Sayonara" to this likable old pal.

TOSHIO TAKEUCHI.
Tokyo.

Hooray for Calvin and Hobbes. It's brilliantly drawn and witty to boot. Kids love it, and so do grown-ups. The device of Hobbes disguising himself as a stuffed toy whenever grown-ups are present is pure genius. And Calvin's relations with his babysitter are uproarious.

N. D. BROMQUIST.
Dresden, Germany.

Rex Morgan is for high school dropouts. Is that the readership you want?

HARRY WUEST.
Thalwil, Switzerland.

Please return Capp. But not at the expense of Morgan, who is a daily must.

ZENAIDE MITELBERG.
Quarré-les-Tombes, France.

There were three strips I never read: Garfield, Rex Morgan and Doonesbury. Calvin and Hobbes makes it four.

M. ANDRE.
Vincennes, France.

Our whole family are very disappointed that our favorite comic strip has disappeared. To make matters worse, it is replaced by Calvin and Hobbes, which we do not find amusing at all.

WENDY KIENER.
Zurich.

Boy, oh boy, are you folks going to get a lot of mail about replacing Andy Capp with Calvin and Hobbes. And I'll bet a lot of people are going to ask why you didn't kill off Rex Morgan instead. Never! Rex Morgan is one of the most moral and inspiring works of literature I have ever read, complementing, although on a much lower plane, my daily readings of Holy Scripture (King James version).

RICHARD LEWIS.
Denpasar, Indonesia.

Calvin and Hobbes? We are not amused. Please bring back Mr. Capp and wife so that we may be amused again.

K. KALESNIK-BRUNS.
Winnenden, Germany.

I follow Rex Morgan every day and resent any effort to pull it. I am not attacking other people's favorites; please don't touch one of mine.

DANIEL TRETIAK.
Hong Kong.

Good idea, publishing Calvin and Hobbes. But why save Rex Morgan?

CLAUDIO GIUSTI.
Paris.

I write on behalf of one of my patients, Mr. Andrew Capp, who is suffering from severe depression since losing his position (the only one he has ever held for long) on your comics page. Mr. Capp has done nothing since except lie on his couch and consume beverages, the contents of which medical secrecy prevents me from naming. If nothing is done, I fear the worst. He might even have to go to work. I should not like to be responsible for the consequences.

REX MORGAN M.D.
c/o John Parry.
Geneva.

GENERAL NEWS

Israel Loan Feud: Wall Talking to a Wall

By Thomas L. Friedman
New York Times Service

WASHINGTON — The dispute between the Bush administration and Israel over loan guarantees and restrictions on Israeli settlements underscores the stunning lack of communication between two governments on some of the most sensitive issues between them.

"This whole crisis is symptomatic of our relationship," said an administration Middle East expert. "We have this ritualized relationship, with all of the structures of closeness, but people don't really talk to each other or hear each other, because there is no real private honesty. Everyone is afraid to be honest, because they are aware that there are some real underlying differences over the question of the occupied territories."

Interviews in recent days with many American and Israeli officials and others involved in the dispute suggest that Prime Minister Yitzhak Shamir badly miscalculated when he brushed aside a Bush administration request in early September to put off a request for $10 billion in loan guarantees or face a confrontation over settlements in the occupied territories.

It is now evident that Israel's supporters in Congress have decided not to fight the administration and will postpone dealing with the issue until after a Middle East peace conference begins.

The lack of communication between Mr. Shamir and Mr. Bush goes back to the first meeting between the two men in the Oval Office in April 1989, when Mr. Bush expressed his displeasure over Israeli settlement-building practices and Mr. Shamir responded, "It won't be a problem."

Mr. Shamir meant that if the Israelis really had an Arab partner for peace talks, settlements would not be an obstacle to peace. What Mr. Bush thought he heard, though, was a commitment to slow down or stop settlement-building. When just the opposite happened as soon as Mr. Shamir returned to Israel, the seeds of Mr. Bush's personal wrath were firmly planted.

Mr. Bush's focus on Israeli settlements grows out of a longstanding American belief that an accord between Israel and the Arabs will only come about in a trade of land for peace, and that if Israel builds housing in the occupied West Bank and Gaza Strip, no trade will be possible.

The tension between Mr. Shamir and Mr. Bush hung over their relationship. In early 1990 Israel appealed to the Bush administration for $400 million in housing loan guarantees to help resettle the flood of Soviet immigrants.

The guarantees sailed through Congress, but they did not become available for almost nine months, while Secretary of State James A. Baker 3d negotiated with the Israeli foreign minister, David Levy, over an unusual letter. In the letter Israel for the first time promised not to use the money to settle Soviet Jews "beyond the green line" dividing Israel from the territories it occupied in the 1967 war.

The expectation in Washington was that as a result of that letter there would be no increase in Israeli settlement activity of any kind. The

NEWS ANALYSIS

view in Jerusalem was that Israel had agreed not to spend the $400 million in the territories, but that it could spend its own money.

The letter was signed on Oct. 2, 1990, and the $400 million in guarantees was granted. After the new year, though, it became apparent to the Israelis that the number of Soviet Jews that could descend on them could reach a million, far more than anticipated, and that their housing and absorption requirements would be much greater.

In between all that there came the Gulf war, and Israel sought a special aid infusion from the Bush administration to compensate for losses it incurred from Iraqi missile attacks and increased military spending.

The Bush administration agreed after a period of bargaining to a onetime grant of $650 million in cash — on the condition that Israel not ask for any more extra aid of any kind until after Labor Day. At that point the administration hoped it would be too late to get the request through Congress this fiscal year.

Between March and Labor Day, the president was privately seething over what he believed was Israeli noncompliance with the Levy letter.

At a news conference on July 1, Mr. Bush said he did not think there "ought to be a quid pro quo" between the settlements and loan guarantees, but he implored the Israelis to live up to the Levy letter.

But Mr. Baker was obsessed with putting a peace conference together, and while he regularly spoke to the Israelis about problems he had with settlements, he acceded to their demand that a halt on settlement not be made a precondition for the peace conference, and sold that idea to the Arabs.

The Israeli government began talking about the need for $10 billion in housing loan guarantees and the Israeli lobby, the American Israel Public Affairs Committee, and every other major American Jewish group began organizing a lobbying campaign that would culminate after Labor Day to ensure that the Israelis got the money through Congress.

The Israeli government was aware of how Mr. Bush was feeling, because Israel's ambassador to Washington, Zalman Shoval, was hearing it from his sources. But Mr. Shamir apparently did not take his warnings seriously.

But he had received other warnings. On July 25 Vice President Dan Quayle personally warned the Israeli defense minister, Moshe Arens, when he visited Washington, that linkage was a possibility if Israel did not curb the settlements.

In early August, though, Mr. Shamir finally told Mr. Baker that Israel would attend his peace conference, and Israeli officials said at the time that they assumed that Mr. Shamir's acceptance meant that the housing guarantees were assured.

While Baker aides say they never gave any such assurances, Mr. Baker also did not explicitly tell Mr. Shamir that the administration intended to hold up the guarantees until it got even more restrictions on Israeli settlements.

Over the Labor Day weekend, Mr. Baker telephoned Mr. Shamir twice and asked him to delay the loan request for four months. But Mr. Shamir said he could not do that. He had just concluded an exhausting domestic budget battle in which he agreed to increase the military budget by cutting the housing budget and the only way he could limit the damage to the housing budget was by assuming that the loan guarantees would come this fiscal year. It was already written into the Israeli budget.

When Mr. Baker got no satisfaction from Mr. Shamir, the administration turned to Congress to delay the issue for 120 days, which it now appears ready to do.

In four months' time the administration will again try to link Israeli housing guarantees to some sort of suspension of Israeli settlements. But the administration apparently hopes that by then the peace conference will be well under way and they can use their leverage over Israel on that issue to help forge the first interim deal in that conference: Israel suspends settlements in return for an Arab suspension of the boycott of Israel and a Palestinian suspension of the uprising.

Soviets Add Clout to Repeal of UN Zionism Stand

New York Times Service

UNITED NATIONS, New York — The Soviet foreign minister, Boris D. Pankin, has joined President George Bush in calling for the General Assembly to repeal its 1975 resolution equating Zionism with racism.

But Arab diplomats here and Arab-American organizations reacted coolly, saying that Mr. Bush's plea was a political gesture aimed at soothing his administration's dispute with Israel. "The whole thing is linked to the peace conference and other matters," an Arab diplomat said. "It cannot be treated separately."

In a wide-ranging speech promising a new Soviet commitment to international cooperation, Mr. Pankin said Tuesday that the United Nations "should once and for all leave behind the legacy of the ice age, like the obnoxious resolution equating Zionism to racism."

The Soviet and U.S. appeals underscore a new confidence that the West, joined by the former members of the old Soviet bloc, could now repeal one of the assembly's most disputed resolutions.

The United States has opposed the resolution, adopted at the urging of Arab and other Third World nations, from the outset. In recent years, as anti-Western sentiments here have moderated, it has sought its repeal.

While the Israeli foreign minister, David Levy, said the president's call was "only natural," the Arab delegations here had no public response. Iran Radio quoted President Hashemi Rafsanjani as saying Mr. Bush was "trying to wipe off stains resulting from Israel's racism."

Clovis F. Maksoud, the former president of the Arab League and now a professor at American University in Washington, said that the president's decision to press for repeal was "a political sop to the Israelis" and "an insensitive rubbing it in to the Arabs" at a delicate moment in the peace process.

VIEWPOINT

The Commerzbank report on German business and finance

World automobile industry: growing international integration

In 1991, the global output of passenger cars will register its first marked decline in five years, with all three major markets – North America, Western Europe and Japan – being affected.

In Germany, the economic boost from unification will enable the market to buck the general trend for the time being. However, it seems that here, too, business will slacken during the second half of the year. Demand should rebound next year above all in North America and Western Europe, but this upturn will hardly be felt in Germany.

The similarity of business trends in the car industry worldwide underlines the high degree of international integration that has been achieved in automobile manufacturing.

Competition, which is still quite stiff despite the continued existence of trade barriers, is reflected among other things in better equipped standard models, improved quality and longer guarantee periods, and, in the traditional markets, foreign suppliers have often been the driving force behind such improvements.

"Protective walls are not automatically used to improve competitiveness."

Market penetration varies

The role of foreign manufacturers differs considerably in each of the world's three leading markets. While US companies, for instance, are well represented in Europe through the local subsidiaries of Ford and General Motors, the operations of the major Europeans in North America are more modest.

Close ties exist between Japan and North America, as restricted market access has prompted the Japanese to set up production facilities of their own in the U.S. However, American involvement in the Far East is limited to acquiring equity stakes and manufacturing know-how.

Penetration by the Japanese and the Europeans of each others' markets also varies greatly. Due to restricted access in five EC countries, Japanese manufacturers are now keen to raise their share of the Western European market by establishing local assembly plants. Such transplant factories already exist in the UK and Portugal. By 1995, Japanese production capacity in Europe is to be expanded to one million units per year.

Although European firms have seen their exports to Japan increase over the past few years, its import ratio remains very low. Europeans face the double challenge of defending their position at home against competition from the Far East and, at the same time, securing a stronger footing in the dynamic Asian-Pacific region.

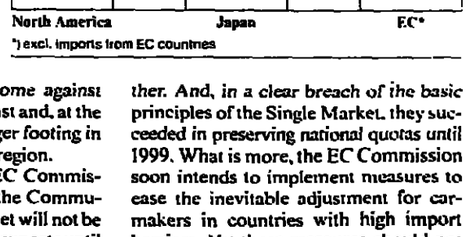
At the end of July, the EC Commission and Japan agreed that the Community's post-1992 Single Market will not be fully opened to Japanese car exports until the end of a seven-year transition period during which Japanese manufacturers will not ship more than 1.23 million vehicles to Europe per year. This translates into a Europe-wide market share of 8% as against the current 11%.

National shares differ greatly, though, ranging from less than 1% in Italy to 42% in Ireland (15.4% in Germany). In addition, the agreement envisages that, over the same period, Japanese firms will sell 1.2 million cars produced at their European plants in the EC market. This could bring the overall market share of Japanese producers up to 16% by 1999.

French, Italian and Spanish manufacturers would have preferred market access to have been restricted even further. And, in a clear breach of the basic principles of the Single Market, they succeeded in preserving national quotas until 1999. What is more, the EC Commission soon intends to implement measures to ease the inevitable adjustment for carmakers in countries with high import barriers. Yet these measures should not penalize national car industries that are already exposed to foreign competition.

In any case, the experience of the eighties has shown that protective walls are not automatically used by their beneficiaries to improve competitiveness.

New registrations in the main automobile markets, 1990
– in million –



*) excl. imports from EC countries

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Dr. Seuss, Creator of the Cat in the Hat, Dies at 87

By Eric Pace
New York Times Service

Theodor Seuss Geisel, 87, the author and illustrator whose fantasies written under the pen name Dr. Seuss entertained and instructed millions of children and adults around the world, died Tuesday in La Jolla, California after an illness of several months.

Mr. Geisel's work delighted children by combining the ridiculous and the logical, generally with a homely moral. "If I start out with the concept of a two-headed animal," he once said, "I must put two hats on his head and two toothbrushes in the bathroom. It's logical insanity."

His first book, "And to Think That I Saw It on Mulberry Street," appeared in 1937. It was followed by such classics as "Horton Hatches the Egg," in 1940, and "The Cat in the Hat," in 1957.

Over the years, zany animal characters, names and book titles were the Dr. Seuss trademarks. There was "Yertle the Tertle" (1958), "Fox in Socks" (1965), "Mr. Brown Can Moo! Can You?" (1970) and many others.

The archetypal Seuss hero, many connoisseurs felt, was Horton, a conscientious pachyderm who was duped by a lazy bird into sitting on the bird's egg. Horton stuck to the job for many weeks, despite dreadful weather and other harassments, saying, "I meant what I said and I said what I meant. An elephant's faithful 100 percent." His virtue was finally rewarded when the egg hatched and out came a creature with a bird's wings and an elephant's head.

Dr. Seuss also charmed adults, especially with his 1990 book "Oh, the Places You'll Go!," which became a best seller.

Sales of "Horton Hatches the Egg," "The Cat in the Hat" and other books by Mr. Geisel amounted to more than 200 million copies. He wrote 48 books for children.

He also founded Beginner Books, whose books for young children, some by Dr. Seuss, have sold more than 50 million copies and are in school libraries in countries around the world. His books have been translated into 20 languages.

Mr. Geisel began using his middle name as a pen name for his cartoons because he hoped to use his surname as a novelist one day. But when he got around to doing a first grown-up book — "The Seven Lady Godivas," in 1939 — the grown-ups did not seem to want to buy his humor, and he went back to children, becoming famous and wealthy.

"I'd rather write for kids," he later explained. "They're more appreciative. Adults are obsolete children, and the hell with them."

When Mr. Geisel was interested or amused, which was very often, his eyes would light up with boyish warmth. With his lank hair, beaky nose and neat bow ties, he looked rather like the college professor he had originally set out to be.

The world of Mr. Geisel's imagination was nourished by his childhood visits to the zoo in Springfield, Massachusetts. He was the son of Theodor R. Geisel, the superintendent of Springfield parks, and Henrietta Seuss Geisel.

Superintendent Geisel, the son of an émigré German cavalry officer who founded a brewery in Springfield, expanded the zoo and liked to show it off to his son.

After graduating from high school, the younger Mr. Geisel majored in English at Dartmouth, where he contributed cartoons to the campus humor magazine, Jack-O'-Lantern, and became its editor. He graduated with a B.A. in 1925. Then followed a year of graduate work in English literature at Oxford, after which he spent a year traveling in Europe.

He began contributing humorous material to Vanity Fair, Liberty, Judge and other magazines.

Mr. Geisel also wrote for the movies. His documentary films "Hitler Lives" and "Design for Death" won Academy Awards in 1946 and 1947, and his cartoon short "Gerald McBoing Boing" won an Oscar in 1951. He also designed and produced cartoons for television, including the Peabody Award-winning "How the Grinch Stole Christmas!" and "Horton Hears a Who!"

Among his later books were some on serious topics. In "The Butter Battle Book" (1984), he introduced young readers to the dangers of the nuclear arms race. In 1986, in "You're Only Old Once!," he examined the problems of old age in a book for grown-ups.

U.S.: *A Test Awaited*

(Continued from page 1)

Gulf to assure the upper hand if hostilities break out during escorted UN inspections.

A congressional expert on the U.S. military said Wednesday that he believed the Pentagon was planning a buildup of troops and planes, and possibly ships.

Representative Les Aspin, chairman of the House Armed Services Committee, said he believed the Pentagon "really is preparing for something pretty extensive," for both political and military reasons.

A Bush administration source told The Associated Press that Lieutenant General Charles A. Horner, the architect of the air war against Iraq in January, will be ready to return to Saudi Arabia "in a matter of days." The source also said that the commander of the U.S. Central Command, General Joseph Hoar, who succeeded General H. Norman Schwarzkopf, was in the Gulf region.

And the top U.S. military officer, General Colin L. Powell, met with President Bush. General Powell later told Congress that the president "intends to make sure that in the final analysis the will of the international community is satisfied" in its confrontation with Iraq.

General Powell, the chairman of the Joint Chiefs of Staff, said UN weapons inspectors had discovered "gold mines" of data on Iraq's effort to build atomic weapons, and he declared that the government of Mr. Saddam is still not fulfilling its promises to the United Nations.

"I can assure you that the president is viewing this as a very serious matter," General Powell said. "He has preserved all his options."

The comments were made as UN officials continued to demand the release of a team of 44 UN inspectors in Baghdad while Iraqi officials demanded that the team give up Iraqi personnel files they said were unrelated to the UN mission.

General Powell said that two Patriot surface-to-air missile battalions requested by the Saudis — about 100 missiles and 1,200 soldiers to operate the launchers — would arrive from Germany in "just a few days."

No significant threat to the Saudis exists, he said, "but it is wise to be prudent."

The New York Times said the Patriot shipment was a prelude to the deployment of about 50 planes, perhaps by the end of the week, that had been ordered by the White House on Tuesday. The Times said Saudi Arabia had demanded that the Patriots be deployed to protect Riyadh, Dhahran and King Khaled Military City before U.S. and allied forces attack Iraq from Saudi soil.

Mr. Aspin, a Wisconsin Democrat, predicted "a general buildup" designed both to convey the resolve of the United States and to have sufficient firepower in place "just in case the thing escalates." He said he believed U.S. forces were preparing to provide military escorts to UN inspectors in Iraq, as Mr. Bush had threatened last week.

"I think what we're seeing is a much bigger buildup than anybody really thinks they're going to be using," Mr. Aspin said.

General Powell said most of the 35,000 U.S. soldiers still in the Gulf were logistics personnel packing weapons and equipment in the aftermath of the Gulf war, but he said "a rather significant air capability" remains. There are believed to be 60 to 70 U.S. planes currently stationed in Saudi Arabia, with an additional 85 based on an aircraft carrier nearby.

In Vienna, a spokesman for the International Atomic Energy Agency, which has direct responsibility for the UN team, said any U.S. military action would be "premature."

"I think we have to exhaust all other options," said the spokesman, David Kydd.

Patriot Missile Team Sent to Saudi Arabia

By Marc Fisher
Washington Post Service

BERLIN — Clad once more in desert fatigues, 690 U.S. troops stepped off buses and onto transport planes Wednesday at Rhein-Main Air Base in Germany, heading to Saudi Arabia once again to send a message to Iraq.

Two battalions of U.S. forces, including 24 launchers equipped with 96 Patriot surface-to-air missiles, are being sent to the Saudi region that served as staging area for the Gulf war, according to the U.S. European Command in Stuttgart.

Only one battalion left Germany on Wednesday afternoon. Military officials declined to say when the second battalion would leave.

Within hours of receiving orders to move out, members of the 7th Air Defense Artillery Regiment in Kaiserslautern were loading equipment onto planes headed for the Gulf. The move is intended to demonstrate U.S. determination to force Iraq to allow UN inspectors complete access to records of Baghdad's nuclear program.

Military sources in Germany said the Patriots should be set up by the end of the week. The Patriots played a key role in deterring Iraqi Scud missiles during the Gulf war.

U.S. air bases in Germany were also used Wednesday to send planes to Zaire to support French troops trying to put down the rebellion there. U.S. planes requested by France were transporting an unannounced number of French troops and equipment to Zaire.

Bruce Young/Reuters

General Colin L. Powell appearing Wednesday before Congress.

IRAQ: *UN Plea Defied*

(Continued from page 1)

putting UN seals on boxes containing the documents. He said the team wanted to seal the boxes to prevent any Iraqi tampering while members of the UN group were asleep. The security men moved back after the team agreed not to seal the boxes, he said.

The siege began at midday Tuesday when Mr. Kay's team refused to give up copies of documents it made in a surprise search. Mr. Kay argued that the inspectors should be free to copy and analyze the data under terms of the Gulf war cease-fire.

Videotapes made by the inspectors were said to show details of Iraq's secret nuclear weapons program, its foreign suppliers and top Iraqi directors.

In an interview with CNN, Mr. Kay said the Iraqis continued to allow other UN officials in Baghdad to bring the team food and water.

The inspectors, Mr. Kay said, spent most of the day doing "the inevitable paperwork that goes with any inspection — successful, unsuccessful or interrupted." He added that they were putting together a "formal dinner" of U.S. military rations to while away their second night.

Iraq called Mr. Kay an American spy, a charge Mr. Kay called "absolutely untrue."

The UN nuclear inspection team is a predominantly American mobile recording unit.

The 44-strong team is made up of 27 Americans, 5 Canadians, 3 New Zealanders, 2 Australians, 2 Germans and 2 Britons, as well as an Egyptian, a Moroccan and a Syrian, according to spokesman David Kydd, of the International Atomic Energy Agency.

It carries all the electronic gear needed to record its searches and discoveries, he said.

He added: "They're all fit people, tennis players and joggers. They have to be fit to work in the heat and conditions they're sent to." *(AP, Reuters)*

WIRED: *In Cafés and Theaters, the Calls That Annoy*

(Continued from page 1)

signed and militant responses in other traditionally phone-free areas.

In theaters, the demographics of the clientele seem to shape management's policies. Lincoln Center in New York has not restricted cellular activity in any of its concert halls or theaters.

On the other hand, the Wometco Theaters, a string of 17 movie theaters in southern Florida, banned the phones last summer. "We had a number of complaints and skirmishes and finally a fist fight in one of our most upscale theaters," said John Ray, president of Wometco.

Restaurateurs are also divided. The Teahouse Restaurant in Vancouver, British Columbia, posted a no-phoning notice last year.

But at Le Cirque in New York, "Our customers prefer to check their personal telephones with their coats," said the owner, Sirio Maccioni. Speaking on the wall phone near the restaurant's front door, he added: "If they get a call, the coat-check person alerts the guest who can then leave the table to take the call."

Abusers among the cellular-phone set could be giving all users a bad name. White knights with wireless phones are not unknown.

Last month, when a morning train into Manhattan was delayed for several hours, E. Jay Williams Jr., president of Sheridan Broadcasting in Manhattan, was besieged by fellow passengers who offered to pay him for the use of his 1989 Oki700.

Nicolas Asfouri/IHT

49 Killed, Hostages Seized As Troops Mutiny in Chad

Reuters

NDJAMENA, Chad — Forty-nine people have been killed and hostages, including civilians, have been seized in an army mutiny in northern Chad, the state-run radio reported Wednesday.

The government said the violence had been caused by troops loyal to the former president, Hissène Habré, who was deposed in December by a rival military force.

According to the radio, rebellious soldiers demanding more pay made a series of attacks on government troops over the last week in the mountainous Tibesti region, near the Libyan border.

Official sources said 42 people had been killed and several wounded in a battle Sept. 18 when the mutineers held up a convoy carrying army salaries, taking 14 million francs CFA ($47,000).

Seven people were killed and 13 wounded in a separate attack on a garrison at Bardai, the sources said. Government forces arrested the soldiers as they tried to flee to Libya.

ZAIRE: *Threats to Mobutu Regime*

(Continued from page 1)

ing that their intervention is aimed solely at saving foreigners' lives.

The question of interference in a sovereign nation's internal affairs is particularly sensitive because of the current debate about the world response to ethnic persecution in Iraq, Yugoslavia and the Soviet Union.

In addition, Western scenarios about Mr. Mobutu's role in Zaire's future remain unclear, officials said.

The president stands to gain time because of splits in his opponents' ranks. But a spreading revolt among his own military — many of whom have access to heavy weapons — could plunge Zaire into violent chaos reminiscent of the 1960s when the country gained independence.

With much of Africa plagued by an economic and political crisis, Western governments are trying to nudge aside Mr. Mobutu and other post-independence rulers to make way for less repressive leaders. The process, officials said, carries an obvious risk of triggering a domino effect.

France also is having to send reinforcements to Chad, after a raid Tuesday by anti-government rebels in the north, and to the Central African Republic, whose government might be further undermined by the troubles in Zaire.

In rushing its original 500-man contingent to Zaire, France stripped most of its forces stationed in Chad and the Central African Republic.

Now that reinforcements from mainland France are needed, Paris has turned to the United States for C-141 Starlifters for the air lift it lacks.

Even with these reinforcements, officials said in Paris, the French and Belgian troops in Zaire will number fewer than 2,000. That would be too small a force to restore order if violence swept through the country.

Simply evacuating more than 20,000 Westerners — including an estimated 11,000 Belgians, 5,000 French and 3,500 Americans — is a daunting logistical problem.

Diplomats in Paris said that the international airport in Kinshasa was in the hands of French troops but not functioning for civilian flights. This was apparently because local personnel had fled in panic, leaving fuel delivery and other facilities out of operation.

Refugees were being ferried across the Congo River to Brazzaville, Congo, to be picked up by airliners and transport planes dispatched by European countries, including France, Belgium, Portugal and Greece.

French forces staked out a bridgehead along the riverbank to enable foreigners to board a flotilla of ferries and small craft after fleeing from Kinshasa's two main European neighborhoods, where businesses and homes were pillaged.

Some Westerners in the southeastern mining areas were reported to be making their way by road to neighboring countries.

Terrorist Is Denied Pardon

Reuters

ROME — Justice Minister Claudio Martelli has rejected a request from Italy's president to pardon Renato Curcio, 49, the imprisoned founder of the Red Brigades guerrillas.

Witness Ties Noriega to Drug Cartel

The Associated Press

MIAMI — The Medellín cartel poured almost $2 billion into Panama in the early 1980s, some of it aboard Manuel Antonio Noriega's plane, a confessed money launderer testified at the deposed Panamanian leader's trial Wednesday.

The prosecution witness, Eric Guerra, a Panamanian businessman, said the money was flown to Panama aboard commercial and private flights.

"It came in suitcases, it came tied up in bundles, by denomination, and with rubber bands around it," Mr. Guerra said as his testimony continued Wednesday.

From 1980 until he left the operation in July 1984, he said, passengers aboard daily flights from Miami carried in $500,000 to $800,000 each, and sometimes two couriers were on the same flight.

In 1982, private jets began weekly flights from Fort Lauderdale to Panama City, each carrying $10 million to $15 million, he said.

A jet the government said was Mr. Noriega's personal plane made several of the flights, said Mr. Guerra, identifying it from photos. Among the charges the deposed Panamanian leader faces is accepting bribes to allow the cartel to launder its drug profits in Panamanian banks.

The Fort Lauderdale flights began in 1982 and lasted about 18 months until the cash smugglers were caught in Florida, he said.

Mr. Guerra said he worked in the Colon Free Trade Zone in Panama in 1981 when he was approached by a Colombian, Carlos Molina, with the money laundering scheme. He said he later found out Mr. Molina worked for the cartel leaders Pablo Escobar and Gustavo Gaviria. Both were indicted with Mr. Noriega, but neither was extradited to the United States.

Mr. Molina called him each day to direct him either to deposit the money in various banks or deliver it to individuals, Mr. Guerra said.

"I was the one who disposed of it all," Mr. Guerra told the prosecutor, Guy Lewis.

Every cash arrival was counted and recorded by Mr. Noriega's intelligence officers, and they sometimes escorted him to the banks with the money, he said. They also helped get the pilot through customs and immigration procedures.

Jerusalem Police on Holiday Alert

JERUSALEM (NYT) — Huge numbers of policemen were deployed in Jerusalem on Wednesday, the first anniversary according to the Jewish calendar of the slaying of 17 Palestinian youths at the Al Aqsa Mosque, to provide security for thousands of Jews celebrating the Sukkoth holiday at the Western Wall. No incidents were reported.

Meanwhile, Arab shops in East Jerusalem remained shut in response to a call for a general strike by the Islamic Resistance Movement, a fundamentalist organization, to protest increasing Israeli settlement activity in the occupied territories.

The Palestinian community, which is planning to build a memorial to the 17 slain youths, will mark the anniversary Oct. 8.

GERMANS: *Exposé Operators Are Standing By to Take Denunciations*

(Continued from page 1)

We have to deal with the old bonzen," said an executive of the Treuhand, the agency in charge of privatizing former Communist property.

But Dieter Hapel says there is a choice. A Westerner who is majority leader of Berlin's local parliament, Mr. Hapel started the bonzo phone to show Eastern Germans that there is justice in the Western system.

"Should those super-bonzen be allowed simply to change the sign on their doors and keep on dealing with those they oppressed?" he asked.

"Why are those who sat in their offices and made life miserable allowed to work and drive Mercedeses while those who refused to join the party and took part in the peaceful revolution are on unemployment?"

Mr. Hapel, his desk at City Hall overflowing with documents and folders containing old party records, has been besieged by more than 1,500 calls, letters and visitors in the five weeks since the phone line opened.

A typical call came from a Berliner who in 1988 had gone to City Hall in the eastern sector to ask permission to travel outside the country. The woman in charge of the office left the room, locked the man inside, came back half an hour later and had him jailed immediately for anti-socialist behavior.

A few weeks ago, the same man went to the same office to seek a license to open a snack shop. The bureaucrat he had to see turned out to be the woman who had had him jailed.

"How can this be?" Mr. Hapel asked. "Why must these people suffer such encounters?"

True, many former Communist officials retain powerful positions, said Eduard Heussen, spokesman for Berlin's mayor, Eberhard Diepgen, a Christian Democrat. "But this phone is so counterproductive you wouldn't believe it," he said. "They don't know what to do with all the information they get in these calls. And whatever they do with the information, it's wrong."

Mr. Hapel is nothing but "a self-appointed sheriff," said Stephan Noe of Bündnis 90, an Eastern German grass-roots group that grew out of the 1989 revolution.

A similar group, New Forum, also is trying to root out former Communist bosses in prominent positions, but its method is more traditional: New Forum collects complaints and passes them on to the police. It considers the bonzo phone a witch-hunt, but concedes that its own methods rarely result in dismissals.

Mr. Hapel is ready for that criticism. "In your country, you know about such denunciations," he told a U.S. reporter. "But this is not a question of McCarthyism. You know, when the left does this, it's called research, but when the right does it, it's called denunciations. It's just a matter of whether people who were heavily indebted to the old system should be allowed to carry the first line of responsibility in the new society."

In fact, Mr. Hapel and his staff have no means by which to check out the complaints they receive. Instead, they use friendly journalists and sources in the federal government's clearinghouse for Stasi secret police records to launch cursory investigations. Then, "we discuss the bonzo publicly, and hopefully he is fired," Mr. Hapel said. "I wouldn't exclude the possibility of a false accusation, but I haven't found one yet."

In many cases, the Red Bigwig Line staff has nothing to go on but the word of informants. That's because the change-minded East German government that took over after the opening of the Berlin Wall allowed party officials and secret police workers to purge their files of incriminating documents.

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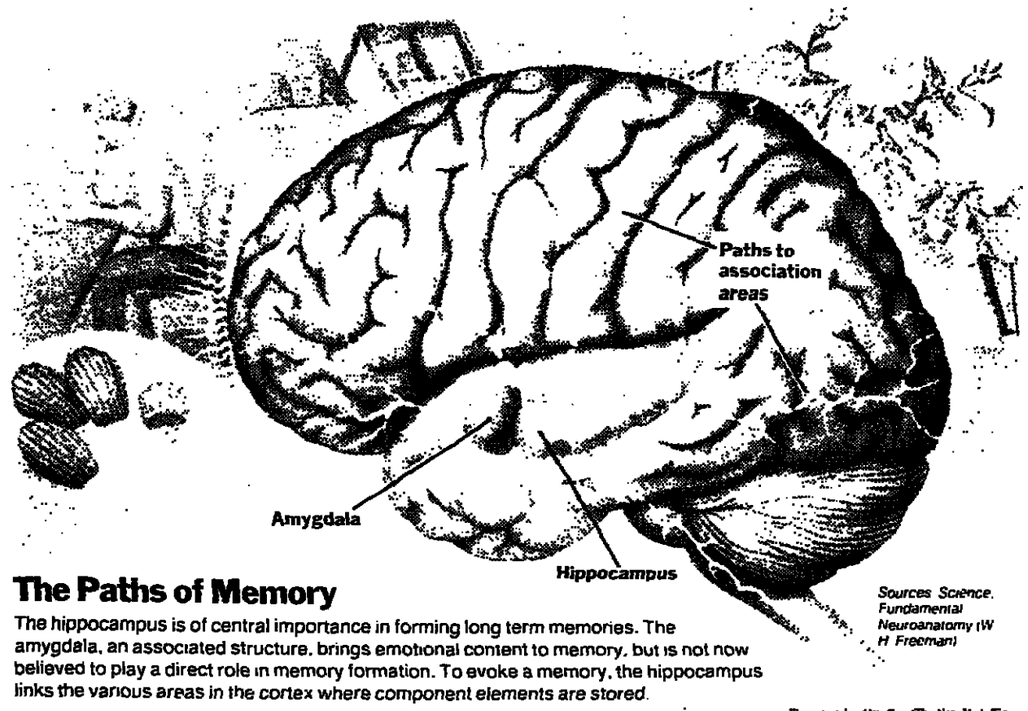

The Paths of Memory

The hippocampus is of central importance in forming long term memories. The amygdala, an associated structure, brings emotional content to memory, but is not now believed to play a direct role in memory formation. To evoke a memory, the hippocampus links the various areas in the cortex where component elements are stored.

Sources: Science, Fundamental Neuroanatomy (W H Freeman)

Illustration by Alex Grey/The New York Times

Answering Proustian Questions

By Philip J. Hilts
New York Times Service

NEW YORK — Marcel Proust's flood of memory when he ate the madeleine has long fascinated readers of literature and science. After decades of research, scientists who study the brain are at last poised to explain how the brain is organized to form long-term, conscious memory and later to recall a particular memory and its various components.

In the beginning of his prodigious novel of the mind, "Remembrance of Things Past," Proust wrote:

"My mother, seeing that I was cold, offered me some tea. And soon, mechanically, weary after a dull day with the prospect of a depressing morrow, I raised to my lips a spoonful of the tea in which I had soaked a morsel of the cake. No sooner had the warm liquid, and the crumbs with it, touched my palate than a shudder ran through my whole body. . . . An exquisite pleasure had invaded my senses. . . . Suddenly the memory returns . . . the whole of Combray and its surroundings sprang into being, town and gardens alike, from my cup of tea."

Proust asked of the memory, "Whence did it come? What did it signify?" And the rest of the massive novel explores what that memory referred to and how it might have been formed.

A provisional answer to Proust's queries has come from two California scientists.

In the current Science, they describe the anatomical components of the brain's conscious memory system, and suggest how it operates in connecting the many separate storage sites throughout the cortex that together represent a whole memory.

The organ known as the hippocampus, they suggest, links the separate parts of a memory as it is formed, enabling all to be evoked when the memory is recalled.

A major insight into the working of conscious memory has been gained from a patient known as H. M., who had his hippocampus removed to relieve epilepsy.

The California team has recreated H. M.'s situation in monkeys, and managed to plot in much greater detail the precise anatomical structures involved in laying down long-term memories.

They find that the hippocampus, and nearby regions with extensive two-way connections with the neocortex, are essential for establishing long-term memory for facts and events.

Dr. David Olton, a professor of psychology at Johns Hopkins and an expert on hippocampal memory systems, said that the work on H. M. "gave us access to the human brain and memory for the first time."

Human memory is not a broad power, but it comprises numerous separate abilities.

"That in turn gave us ways to make animal models of the same memory system, and that gave us the power to compare memory across species — comparative cognition. And finally, that in turn has given us the possibility of having real practical advances."

The new findings may suggest ways to protect the hippocampal cells, which are the quickest to die when oxygen to the brain is cut off.

Other damage, during head injury or aging, also may be prevented if the brain's key chemicals or repair mechanisms can be mimicked.

"This work makes practical applications a real possibility," Dr. Olton said.

The article in Science this week by Drs. Larry R. Squire and Stuart Zola-Morgan describes a concept of memory that is new — worked out over the past three decades and confirmed in elaborate human and animal studies by several scientists.

"The story has come together only in the last couple of years," said Dr. Squire.

The work has shown that in both monkeys and humans, when the hippocampus and nearby tissue is damaged or removed, the ability to form new memory is lost. But it appears that only one specific type of memory is lost, the conscious memory, or recall of facts and events.

Unconscious memory, including the ability to learn both mental and physical skills, remains intact. Nor is there damage to the memory used in immediate recall — that is, matters to which a person is paying current attention.

The unwitting sacrifice of H. M.'s memory ability was described by his surgeon, Richard Scoville of New Haven, to Dr. Brenda Milner of the Montreal Neurological Institute, who began to test H. M.'s abilities to think and recall.

Memory used to be viewed as an intellectual capacity akin to intelligence since it involved a general power to recall from a vast storehouse of images and facts.

But with the work of Drs. Milner and Scoville and Dr. Suzanne Corkin, the scientist at MIT who has carried on the study of H. M. over the years, it has become clear that human memory is not a broad power, but comprises numerous separate abilities. Each is carried out in a specific place in the brain.

A surprising ability demonstrated by H. M. is that he can learn a skill and have no memory of learning it. Thus he has learned "mirror reading" — the skill of reading upside down and backwards — but he has no memory of being taught it.

The latest research suggests that memory formation begins with perception, as with Proust's cup of tea and the spoonful he raised to his lips.

Proust's visual system identified the objects in space — this shape is a cup, this is a hot liquid, this is a moving spoon, this is its color, binding them into the experience of drinking tea.

Each of these separate sensations is passed to the hippocampus, which rapidly integrates the perceptions, as they occur, into a single, memorable experience.

It may be this small organ that imbued Proust's petite madeleine with magic.

Chronic Fatigue: Tracking Down a Virus

By Lawrence K. Altman
New York Times Service

BOSTON — Experts who met over the weekend to evaluate recent reports on three types of viruses as possible causes of chronic fatigue syndrome said that although some data were promising, "none of the evidence is yet conclusive."

The panel also said there was no evidence to suggest that the syndrome, often called yuppie flu, was contagious.

Nevertheless, enough scientific evidence exists to warrant more extensive investigations of the viruses that have been implicated by researchers in the United States and Scotland, Dr. Anthony L. Komaroff, an expert at Brigham and Women's Hospital here, said in an interview.

Dr. Komaroff headed the meeting, which was held by the National Chronic Fatigue Syndrome Advisory Council at the Centers for Disease Control in Atlanta.

The purpose of the meeting was to focus on the three types of candidate viruses: retroviruses, spuma viruses and enteroviruses.

In a step toward developing a blood test for the syndrome, scientists have begun testing 56 people in Georgia, said Dr. Walter J. Gunn, who heads the centers' program on the syndrome.

Of the 56, 26 have what appears to fit the agency's definition of chronic fatigue syndrome. The 30 who do not meet the definition are being tested for comparison.

The debilitating but seldom fatal syndrome is characterized by fatigue that can last months, even years. Symptoms include aching muscles and joints, and sometimes an inability to think clearly and concentrate.

The potential blood test grows out of findings, reported by Dr. Elaine DeFreitas at the Wistar Institute in Philadelphia, of a possible link between the syndrome and what she believes is a previously unknown retrovirus, a group that includes the AIDS virus.

In recent weeks, scientists at the centers have refined the Wistar technique enough to try to determine whether it will work as a reliable blood test to distinguish people with the syndrome from those who do not have it, Dr. Gunn said.

Dr. W. John Martin, a pathologist and virologist at the University of Southern California, reported discovering a novel spuma virus that he believes causes the syndrome. He said it did not set off the classic immune response that the body develops to infection with other viruses.

Spuma viruses are known to infect animals. Although one type of spuma virus has been isolated from a few humans over the last 20 years, no member of the group has been linked to human disease.

Dr. Martin said he had isolated a spuma virus from the blood and spinal fluid of 10 patients with various forms of chronic fatigue syndrome. Suggestive evidence of the virus was detected in the blood of virtually all of 180 people with the syndrome, but in none of 170 without the syndrome, Dr. Martin said.

Dr. Martin said he made the first finding of a spuma virus last winter and told officials at the disease centers in March. He said he did not know how the spuma virus, if it is the cause of chronic fatigue syndrome, was transmitted.

Scientists familiar with Dr. Martin's work have expressed skepticism about his findings, saying they are preliminary at best and could represent contamination in the laboratory. Dr. Martin said he had not sent specimens for independent confirmation by scientists elsewhere.

Taking Mystery Out of Sphinx

A Computer Determines Its Past and Future Looks

By Glenn Rifkin
New York Times Service

FOR more than 4,000 years the Great Sphinx, with its king's head and lion's body, has been standing guard for the Great Pyramids at Giza in the desert outside Cairo. But centuries of sand, wind and man's intrusions have not been kind to the mysterious sculpture that Pharaoh Khafre commissioned in 2500 B. C.

Now, however, an Egyptologist and an architectural firm have been able to use computers to provide a startlingly detailed view of what the Sphinx probably looked like in its heyday after the monument was completed and before it began its inexorable decline.

"The mechanics are there to freeze the Sphinx or the Great Pyramids in 3-D form for the future," said Dr. Mark Lehner, the Egyptologist of the Oriental Institute at the University of Chicago, who has been measuring and mapping the Sphinx for more than a decade.

More to the point, Dr. Lehner says, his team has been able to capture the Sphinx electronically in its current state, creating a record for future archaeologists down to minute details of its eroded face and body.

"To be able to take digital images, and directly input them into the computer so that a model of the artifact can be reproduced instantly is a major breakthrough," Dr. Lehner said.

Computer-aided design is nothing new, of course. What makes the Sphinx project noteworthy is that instead of powerful work stations or mini-computers, Dr. Lehner's team performed the work on garden-variety personal computers, for the most part using off-the-shelf software. As a result, the work was done for a fraction of what it might have cost only a few years ago.

And the significance may go far beyond archaeology. The computer sculptors who rendered the Sphinx in digital form say the techniques and software they refined along the way have practical applications — for architecture, civil engineering and any other endeavor in which manipulating millions of bits of data might prove a cost-effective dry run before moving millions of tons of earth, stone and steel.

"The Sphinx in its current state is a very complicated object," said Jon Jerde, an Egyptology buff whose Los Angeles-based architectural firm worked on the project. "If we can document that, we can document cities." The technology, he said, can allow architects to fly over, pass through and move around simulated architectural designs on the computer screen.

When Dr. Lehner set to work more than 10 years ago surveying and documenting the Sphinx and the surrounding Giza plateau, he used traditional tools. His contour maps and survey drawings were the painstakingly detailed result of four years of crawling over and around the Sphinx's body with a measuring tape.

Then, about two years ago, he called in his friend Mr. Jerde. The architect assigned his firm's director of computer-aided design, Thomas Jaggers, to the project. Mr. Jaggers began converting hand-wrought maps and drawings into the digital form required by the computer.

The medium for this translation was a special electronic drawing board called a digitizer, which has a stylus that Mr. Jaggers used to carefully trace over Dr. Lehner's documents.

"This was done very cheaply considering the complexity of the project," Mr. Jaggers said. "The equipment cost less than $6,500." The various software packages, he added, together cost another $6,500 or so.

THE digitizer produced a 3-D wire-frame model of the Sphinx. But the researchers realized they would need to put a "skin" on the model to make it look more realistic.

Mr. Jaggers got in touch with a software company in Denver named Schreiber Instruments, which, as it turned out, had a package called Quicksurf. The software was designed for uses like mapping the ocean floor, but Mr. Schreiber worked with Mr. Jaggers to adapt Quicksurf to his needs. The result: He was able to create a surface for the Sphinx model in about 20 seconds.

Having a 3-D computer model of the Sphinx in its current form, Mr. Lehner and Mr. Jaggers set out to enhance the model and re-create its original appearance. Mr. Lehner's knowledge and experience in Giza gave him insights into the original work.

Contrary to popular belief, for example, Napoléon's troops had not blasted off the nose by using the Sphinx for cannon practice; it had been chiseled off by 15th century vandals. At some point, the beard also fell off, and Dr. Lehner electronically reconstructed it based on fragments in British and Egyptian museums.

Despite his pleasure over the model of the reconstructed Sphinx, Dr. Lehner called the work "something of a red herring." The real value of the project, he said, is in the conservation of the Sphinx as it is today.

Computer modeling will allow archaeologists to track the erosion of the statue and determine what it will look like in 50 to 100 years. They can also experiment with simulations of protective structures and devices to help save the Sphinx and other works of antiquity.

IN BRIEF

Safety of Some Asthma Drugs Is Questioned

BRUSSELS (Reuters) — An international group of asthma specialists says that overuse of inhaled drugs most widely prescribed for the disease may be making patients worse and contributing to a rising death rate.

Members of the newly formed International Asthma Council said in Brussels that from 1983 to 1990 the worldwide use of such drugs increased 30 percent, while the death rate from asthma increased as much as 60 percent in some industrialized nations.

Professor Sebastiano Bianco of Milan's Institute of Respiratory Disorders said that the reliance on bronchodilators, and particularly a common type called beta2-agonists, "is cause for great concern, as recent studies have linked the over-reliance on these drugs to increased morbidity and mortality." But other specialists took issue with the findings, saying no data conclusively linked beta2-agonists to the rising death rate, and that many patients who died were so ill that nothing could have saved them.

The council's warning is the latest development in a growing controversy over beta2-agonists, inhaled drugs that asthmatics take to relieve the symptoms of an attack.

4,000-Year-Old Corpse Is Found in Alps

INNSBRUCK, Austria (AP) — Alpine hikers discovered a mummified body in a glacier, and a scientist examining the corpse said Wednesday that it was about 4,000 years old.

Local police had initially put the age of the body at 500 years. However, a bronze ax and a stone knife found with the body were "typical" of the early European Bronze Age and helped date it as much older, said Konrad Spindler, a University of Innsbruck scientist. The mummy would allow researchers for the first time to "form an exact picture of life in the early Bronze time," said Dr. Spindler, of the university's Institute for Early History. "We are absolutely sure this body is 4,000 years old."

Dr. Spindler said the man appeared to be between 20 and 40 years old. He was dressed in winter clothing of leather and fur stuffed with hay. Tattoos in the form of crosses and lines were found on the corpse's skin, but their significance was not immediately clear, scientists said.

Even Tobacco-Industry Researchers Agree

NEW YORK (NYT) — Scientists doing research financed by the tobacco industry believe that cigarette smoking is an addiction and causes a wide range of diseases, a new survey has found.

The scientists who conducted the survey said it demonstrated that the scientific community was not divided on the relationship between tobacco and health and that the tobacco industry did not act based on the opinions of scientists whose research it finances.

The survey, which appeared in the the American Journal of Public Health, examined the opinions of 77 scientists who worked on projects financed by the Council for Tobacco Research in 1989. Ninety-one percent of those surveyed said most deaths from lung cancer were caused by smoking; 98 percent said cigarette smoking was addictive.

For Heterosexuals, One-Sided AIDS Risk

CHICAGO (AP) — Heterosexual men infected with the virus that causes AIDS are at least 17.5 times more likely to give the infection to women during sex than the other way around, according to a study that supports previous findings.

Investigators in the study published Wednesday tested 72 male partners of infected women and 307 female partners of infected men to determine the rates of HIV transmission between heterosexual couples.

The researchers said they found that just one man had become infected by a woman, and even that case was inconclusive since both partners said they had had many unprotected sex encounters with other partners before their relationship. Sixty-one, or 20 percent, of the women had been infected by men, according to the study. The study expands on a preliminary report last year suggesting men were 14 times more likely to give the virus to women than vice versa.

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EDUCATIONAL POSITIONS
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OFFICES WANTED
BUSINESS SERVICES
REAL ESTATE FOR SALE
COMMERCIAL PREMISES
REAL ESTATE RENT/SHARE
FINANCIAL SERVICES
REAL ESTATE WANTED/EXCHANGE
SERVICES
EMPLOYMENT
HOUSEHOLD SERVICES
AUTOMOBILES
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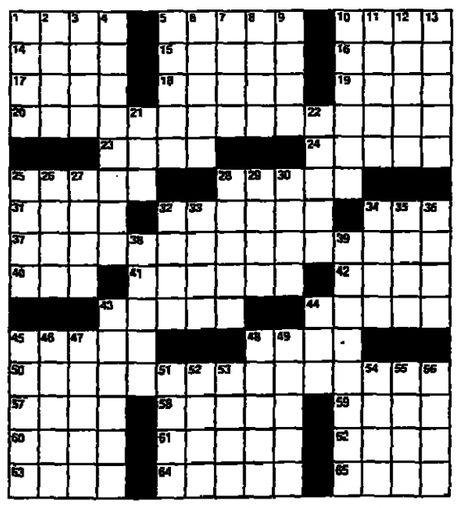
Herald Tribune

ACROSS

1 Grouch
5 Mess of cress
10 Size of type
14 Take it easy
15 Perspicacious
16 "Giselle" composer
17 "It's a Sin to Tell ——"
18 Religious teachers' maxims
19 Onetime Irish capital
20 Drinks made of rum, lime juice, etc.
23 What Butler didn't give
24 Greetings prior to gams
25 Spy with Joshua
28 Procacious
31 *Don Jose's* emotion
32 Ploy, ruse
34 Health resort
37 Some fruity desserts
40 Reno-to-Las Vegas dir.
41 —— Athena
42 Pan's toe
43 *Bach work*
44 Where to see Lincoln
45 Netlike head covering
48 Young Seaver pitched here
50 *A modern style* of French cooking
57 Oppositionist
58 Roof edges
59 "—— in Calico," 1946 song
60 *Crook found in* a 65 Across
61 *Soup made of* the hock of beef
62 Alaskan city
63 What the walls have
64 Like caviar
65 Hornbeam, e.g.

DOWN

1 What claques do
2 Kiplel, e.g.
3 *Saturn* attachment
4 Appliances for chefs
5 Capital of Ore.
6 Type of *squash*
7 Drags along
8 Eagerly expectant
9 Jet —— (fountain)
10 Of inconsistent quality
11 Hell's Canyon is here
12 Composer of "Sally in Our Alley"
13 Act like a pack rat
21 What a sport *picks up*
22 Abominable
25 Fiacres
26 Book of the Bible
27 Ravel's "Ma Mère ——"
28 *Sparling*
29 Siren in "East of Eden"
30 Letter opener
32 Midge
33 Qualified
34 *Suffix with scan*
35 Mexican muzhik
36 ". . . —— of slate": Symons
38 Horatian creation
39 *It's often served* under glass
43 *"Merton of the ——"*
44 Noted architect
45 Racer, for one
46 Ragazza's grandmother
47 Peripheral
48 Pointer's best point
49 Robust
51 Not so much
52 Nevin's "Mighty —— Rose"
53 Malevolent
54 Borodin's "Prince ——"
55 Item in an onomasticon
56 Foe of S. Grant



© *New York Times, edited by Eugene Maleska.*

Solution to Previous Puzzle

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S	I	R	E		E	R	I	E		C	A	R	E	T
P	A	R	A	G	R	A	P	H		A	R	E	N	A
			R	I	D	E	R		R	E	S	E	T	
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C	R	O	C		P	A	R	S	E		E	G	I	S
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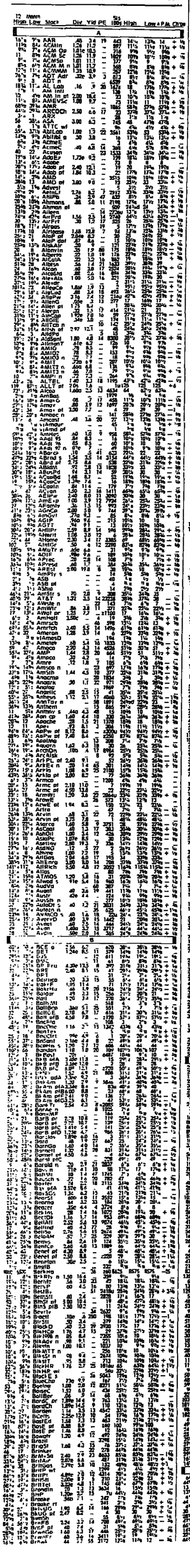
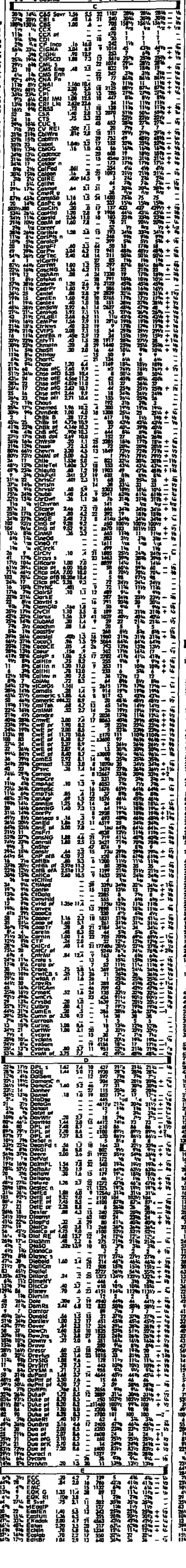
O	R	I	O	N		E	R	A	S		L	E	S	T
S	E	A	N	S		T	O	R	S		D	A	S	H

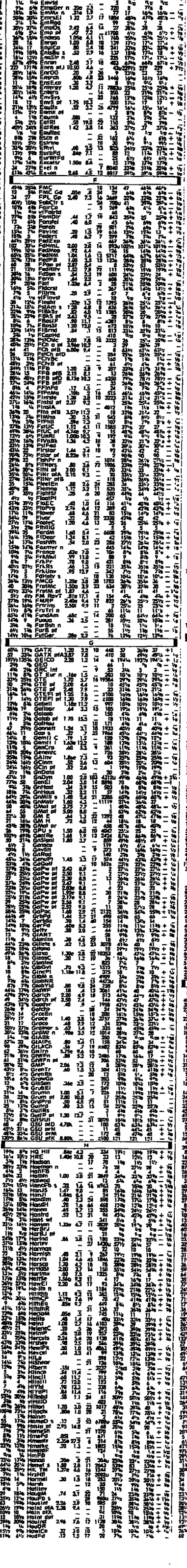
NYSE

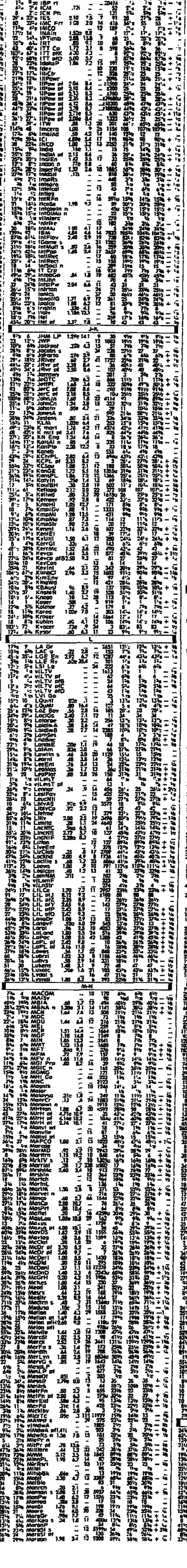
Wednesday's Closing

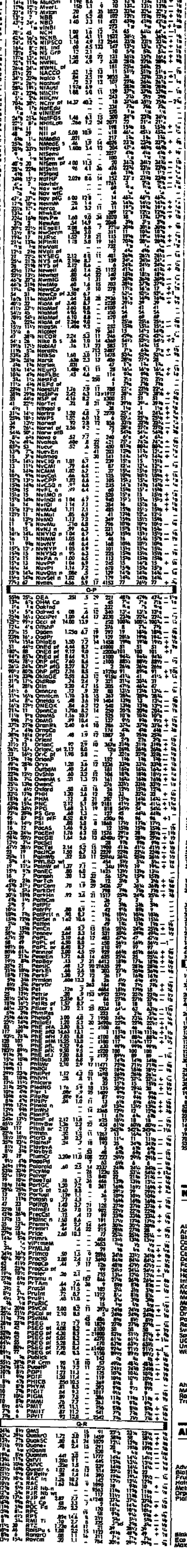
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

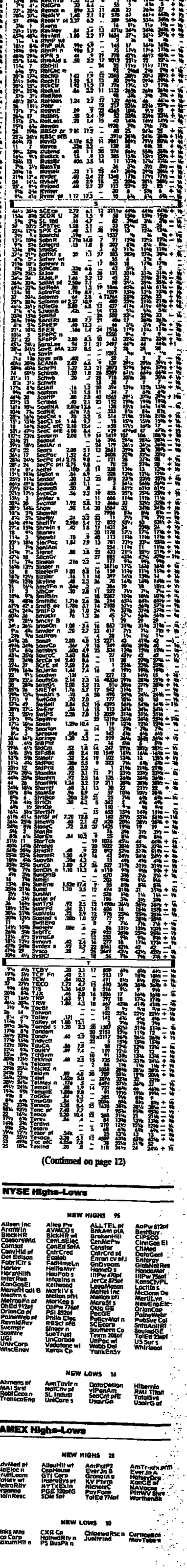












(Continued on page 12)

NYSE Highs-Lows

NEW HIGHS 95

Aileen Inc	Alleg Pw	ALLTEL pf	AoPw 812pf
ArmWin	AVMCO s	BnkAm pfA	BestBuy
BlockHR	BlckHR wt	BrakenHill	CIPSCO
CassonsWld	CmtLaElec	CanMePw	CinnGas El
Comsat	ConEd 9.6%A	Conatar	CMed
CntyWid pf	CntrCred	CulbrCrd pf	DaleGenl
Del Edison	Ecolab	Enron cv pfJ	Esterly
FabrIClr s	FedHmeLn	GnDynam	GlobNatRes
Harley	HellisMyr	HomeDs	HondaMot
HorshHlth	HouPSub s	IIIPw 478pf	IIIPw 756pf
InterRes	Intfcalns n	JerCe 875pf	KomCHYPL
KanGasEl	Kellwood	LeggeMason	Loctite s
MonuHldI B	MarkIV s	Mattel Inc	McDonn Da
Medtrn s	Mellon pfH	Merion pfi	Merill Ln
MetroFin pf	MichKeg s	MorrSt s	NewEngElc
OhEd 912pf	OhPw 776pf	Okla GE	OrionCap
OrionCap pf	PSI 852pf	PorGE	PalmeWeb
PalmeWeb pf	Philla Elec	PolicyMan n	PubSvc Cal
ReynldRev	RBSct pf8	SCEcorp	SntaAnit Rl
Svcmstr	Shaper n	SunTrust	SouInd GE
SpaWre	UnCorbide	UnPac wi	Tofld 224pf
UGI	Vodafone wi	Webb Del	US Gyp s
UnivCorp	Xerox Cp	YankEnSy	Whirlpool
WiscEnsy			

NEW LOWS 16

Ahmans pf	AmTaylr n	DataDesign	Hibernia
MAI Syst	NetCmv pf	IPalmAm	RMI Titan
RobtCeco n	SL Indust	SeaCnt pfE	TotalSys
TransceoEng	UniCare s	UsairGp	UsairGp pf

AMEX Highs-Lows

NEW HIGHS 28

AdvMed pf	AlbuHlt wt	AmPstP2	AmTr wtA pf
BioElec n	CapHouse	EverJn B	Ewan A
FruitLoom	GTI Corp	Granite s	HeiserOrg
Hafeez wt	InstruSys pf	KV Pharm	KanGE pf
MetroRity	NYTXEsln	NicholsC	NAVcorp
Organog	PGE 12pfG	PayFone	PittwW Sys
PlainResc	SDAI 5pf	TolEd 776pf	Worthen Bk

NEW LOWS 10

Blinks Mfg	CXR Co	ChiewaRsc n	CurtissWri
Eco Corp	HalfwdRity n	JustinInd	MarvTube n
MaxumHlth n	PS BusPk n		

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SOUTHEAST ASIA

Trade / Regional Initiatives

Powerful Incentives for Cooperation

Prime Minister Mahathir Mohamad of Malaysia is a man with a mission: "to stop the slide toward controlled and regulated international commerce" by persuading East Asian countries to band together to counter emerging trade blocs in Europe and North America.

Speaking at a meeting of politicians and businesspeople held in Indonesia last March, Mr. Mahathir denied that his proposal for an East Asia Economic Grouping implied the creation of another trading bloc.

Mr. Mahathir insisted, however, that "the countries of East Asia, which contain some of the most dynamic economies in the world today, must at least speak with one voice." The EAEG would include all members of the Association of South East Asian Nations, comprising Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, plus China, Japan and possibly Korea, Taiwan and Hong Kong.

Mr. Mahathir is not alone in fearing the growing cohesion of the European Community and the emergence of a unified trading zone in the United States, Canada and Mexico. Also of concern is Japan's growing economic domination of the region, which could create unequal competition, and the stalled General Agreement on Tariffs and Trade talks.

The East Asian countries are among the world's most successful traders. According to figures from the East West Center in Hawaii, the members of the proposed EAEG accounted for 33 percent of world exports in 1989, valued at $648 billion. In 1970, these countries only exported $31 billion worth of goods, accounting for 28 percent of world exports.

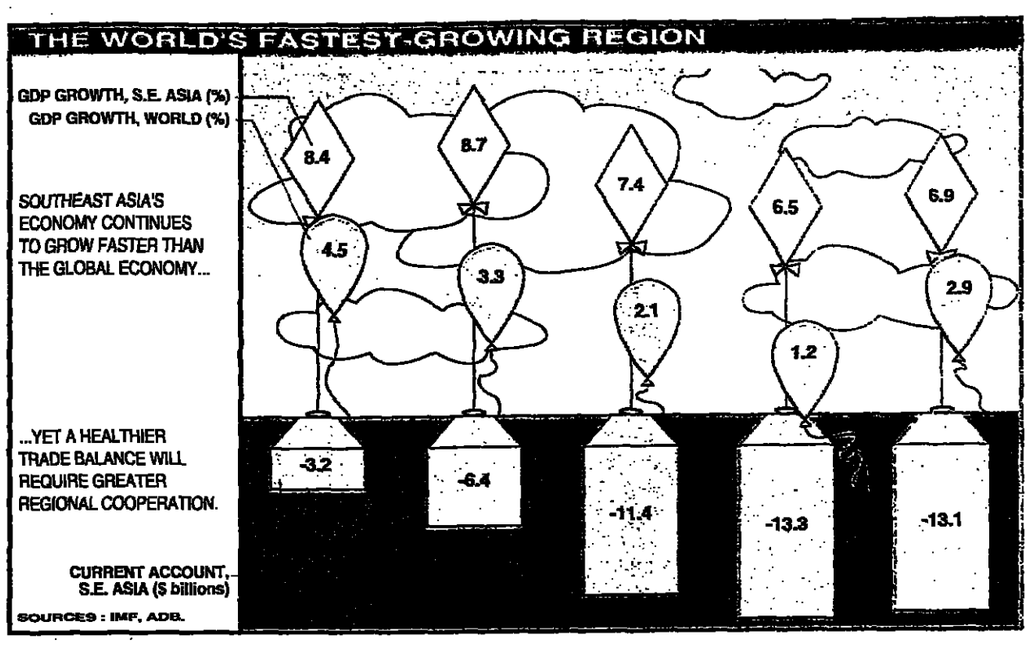
The nations of East Asia, including Japan, China and all the states of Southeast Asia, say that they are prospering in export markets because of the competitiveness of their labor forces and their flexibility in meeting the fast-changing demands of the marketplace.

From the point of view of manufacturers in Europe and North America, this looks like unfair competition. Last year, the developing nations of East and Southeast Asia notched up a total trade surplus of $17 billion, according to Alan Smith, managing director of Jardine Fleming Holdings, a merchant banking firm that is investing heavily throughout the region. By itself, however, Southeast Asia had a trade deficit last year of $13.1 billion, making the idea of an economic grouping even more attractive.

Another approach is the one advocated by Singapore's prime minister, Goh Chok Tong, who believes in greater economic cooperation starting from the "growth triangle," embracing Singapore, Johore (Malaysia's southernmost state) and Indonesia's Riau islands, especially Batam. The idea is to use Singapore as a base to service the export-oriented manufacturing activities of the two neighboring countries.

In many ways, Singapore offers an example of likely developments in other Southeast Asian countries. Realizing that it can no longer be cost-competitive and anxious to make more productive use of its skilled work force, it has deliberately followed a policy of moving out of mass production. It continues, however, to provide backup services for neighboring countries that are still in the mass-production business.

In addition, Singapore's government is encouraging a strategy of overseas investment to ensure a diversification of Singapore's earnings base. The state has more control over its economy than most other countries around the region, and its model of government-guided growth policies is being studied by other ASEAN countries wishing to emulate Singapore's growth rates and standard of living. The island state has shown that it is possible to break out of the lower end of the export business and find new markets.



As even lower-cost producers such as China and the Indian subcontinent states become more successful as traders, other ASEAN members, particularly Malaysia and Thailand, will be making greater efforts to escape from the trap of relying on cost-competitiveness. Other ideas for the region

Continued on Page II

Why more than 3,000 multinational companies chose us as their gateway to success...

"Citibank chose Singapore as its telecommunications hub for the Asia Pacific region because of its extremely good telecommunications infrastructure." *Mr Malcolm Hamer, Vice President, Asia Pacific Telecommunications,* ***Citibank, N.A.***

"Having our Operational Headquarters in Singapore requires us to keep in touch with our global operations around-the-clock. Singapore Telecom offers us cost-effective, reliable and most modern telecommunications services." *Mr Noriyuki Hiramoto, Director, Information Communication System Center,* ***Asia Matsushita Electric (S) Pte Ltd***

"In many parts of Asia, foreign companies cannot get the services they are used to getting back home. But Singapore's workforce is well trained, well motivated and English-speaking. As the leading world news and information provider our demands are high, but Singapore Telecom works to provide us with what we need as a critical part of Reuters international network." *Mr Phillip Melchior, Managing Director,* ***Reuters Singapore***

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Investment / Competition for Capital

New Directions And Opportunities

Fueled primarily by Japanese, Taiwanese and Hong Kong money, the 1980s investment boom propelled Southeast Asia into a breathtaking development spiral. Nations set new highs in the growth of their gross domestic products, which transformed their economies, societies and landscapes.

The dampening effects of the Gulf war and widespread recession have given overheated economies pause to chart new directions, improve severely taxed infrastructures and identify appropriate areas for investment in preparation for the next phase of growth.

For foreign companies, the coming era offers a wealth of investment opportunities in one of the world's most attractive regions. To date, Southeast Asia's appeal for investors has been the low costs of labor and land. Rising prices and manpower shortages, however, make it imperative that the region move away from labor-intensive manufacturing.

"Countries are beginning to realize that future development should capitalize on the comparative advantages of their natural resources and not just take advantage of low-cost labor," says Sanjoy Chowdhury, chief economist of the Asia-Pacific region for Merrill Lynch Singapore.

For the past five years, Japan has been the investment leader in Southeast Asia, investing nearly $27 billion in the region. New growth, however, will have to be financed by regional nations themselves. "Asia is going to get a run for its money from Europe once the teething problems of Eastern Europe go away in two or three years," says Mr. Chowdhury. "Then, Asia will face competition for the global pool of capital."

The challenge is to mobilize more domestic savings and transform them into productive investments. The past three years have seen massive deregulation and liberalization of each country's financial system; these systems have been streamlined to meet international standards and better serve business needs. The net effect has been to increase competition, push down interest rates, and offer investors new, speedier and more comprehensive services.

Many Southeast Asian governments are also privatizing

Continued on Page VII

Tourism / Expansion of Facilities

How to Welcome 100 Million Tourists

The Asia-Pacific region's tourism industry expects up to 100 million visitors annually by the year 2000, about 40 percent of the world's international air traffic.

Southeast Asia, the world's fastest-growing travel and tourism market, owes much of its growth to increased travel within Asia, which started in the 1980s. As Asia's middle classes grew, many began traveling in countries close to home.

With tourism such a major source of foreign exchange, Asia-Pacific countries and airlines are investing heavily to support the industry. New airports are being built and old ones expanded, airlines are enlarging their fleets, and hotel and resort projects are announced almost daily.

The San Francisco-based Pacific Area Travel Association has identified Tokyo, Osaka, Hong Kong and Sydney as most in need of airport improvement. Other airports will reach their limits in the 1990s, the industry association says. Bangkok's Don Muang airport is already congested, while Malaysia and Indonesia will be saturated soon.

Several major projects to meet the rapidly expanding need for air services have been announced in recent years. Singapore, Bali and Kuala Lumpur are upgrading or building new airports, Narita is planning a second runway, and Osaka is building a new airport.

In April, Thailand's cabinet approved a US$272-million project to expand Don Muang airport. On May 7, it announced a massive, 30-year project for a new airport to accommodate 55 million passengers annually. Nong Ngu Hao (Cobra Swamp), 30 kilometers (18.5 miles) east of the Thai capital, will be built in three steps. The first stage — one runway and a passenger terminal with a capacity of 21 million passengers — will open in 10 years.

Hong Kong's pulse — the local stock market — jumped when an agreement was signed with China for a new $16-billion airport. The replacement for overcrowded Kai Tak airport is due to open in 1997. Macao's new $6-billion airport will open in late 1994. The Macanese hope that it will make the Portuguese enclave across the Pearl River from

Continued on Page II

Infrastructure / Keeping Pace With the Economy

Has Growth Outstripped Capacity?

The downside of Southeast Asia's rapid growth in the 1980s has been the heavy demands placed upon regional infrastructures.

So compressed has been the development time span that most overheated economies have been hard-pressed to increase power- and water-supply capacity, improve and extend road and port systems, and expand telecommunication systems to take full advantage of the next phase of economic growth.

The present economic lull has provided governments a chance to upgrade their physical infrastructures and has given foreign companies additional opportunities to participate in the region's growth.

A comprehensive infrastructure study by Crosby Securities Pte. Ltd. outlines the problems and potentials within each country in the region.

The study suggests that Indonesia's power supply is one of the most pressing problems. In 1991, annual demand increased by 17 percent, while capacity increased by only 9 percent. It is estimated that around US$15 billion must be spent on power-generation projects before the year 2000. Transmission facilities must be improved to make more efficient use of existing supplies, a problem the Asian Development Bank is presently addressing. There are also calls for the privatization of electricity generation.

Indonesia's telecommunications facilities need substantial improvement. Permumtel, a state enterprise, plans to install 1.4 million new lines by 1994, but this is insufficient to meet demand. The installment of other improvements, notably optical-fiber networks and telex lines, will cost US$2.5 billion.

While not a pressing problem, Indonesia's port facilities must be improved to serve the export-oriented industries the government is promoting. Port capacity at Jakarta's Tanjung Priok and Surabaya's container ports is being increased; new container facilities are under consideration for Jakarta, Surabaya, Semarang and Medan.

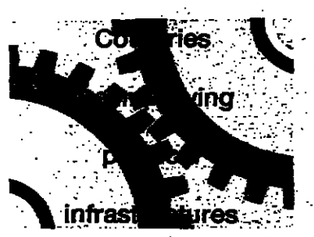
It is hoped that by the end of fiscal year 1992, 30,000 kilometers (18,600 miles) of roads will have been upgraded. There is also a need to build a trans-Kalimantan and trans-Sulawesi highway and to substantially upgrade Jakarta's road system. Secondary linkage roads must also be constructed to facilitate the transport of raw materials and finished products.

While Malaysia's steady growth over the past decade has enabled it to cope with infrastructural needs, its accelerating rate of growth over the past three years poses potential problems.

In response, the sixth Malaysian plan (1991-1996) has made infrastructure development a key priority; the US$9.4 billion set aside to implement improvements marks a 20-percent increase over the infrastructure allotment in the previous plan.

Power supply is Malaysia's most pressing problem. To meet demand, the government has budgeted US$11 billion for generating plants and transmission systems. Natural gas produced in Malaysia will power at least seven of the new turbines.

Malaysia's road system is well-developed; several expressways and primary and secondary roads planned or under way will add more than 1,000 kilometers to the present network.



The country's telecommunication facilities are also being improved to meet future needs. Ports must be expanded and upgraded to cope with container demands, which are growing at more than 20 percent each year. The new Penang Port will relieve much of the congestion and open northern Malaysia to new investments.

One of the most serious constraints to rapid development in the Philippines is the weakness of nearly all aspects of its infrastructure. Of key concern is power generation. The country's previous power-generating capacity of 6,000 MW has been cut by one-third by earthquakes, droughts and generator breakdowns, and a 7.5-percent increase in annual demand is creating the need for massive development projects. Telecommunications are also targeted; the number of telephone lines will double to 143,000 by the end of 1991, and 500,000 telephones and 355,000 digital lines will be installed by 1993.

Partial relief from congestion at the Philippines's five major ports will be achieved after expansion projects at Manila's North and South Harbors, Cebu, Batangas and the Calabarzon industrial area. Scheduled for completion by 1994, they will temporarily meet demand but must be augmented by new, larger container terminals.

Roads are needed in the rural areas to encourage investors to locate their factories there. At the same time, Manila must be relieved of its massive traffic jams. A World Bank-financed program scheduled for completion in 1993 will build or improve 13 major roads.

Much of Singapore's success has come from an early decision to make its infrastructure the best in the region. Despite its small size, it has the busiest port in the world, and its Changi Airport is consistently selected as the world's finest. Similarly, its telecommunications system is on a par with the world's best. To meet future needs, Singapore is building an underground road network to speed traffic through the city and constructing new container terminals at Brani and a third terminal at Changi Airport.

After a mercurial rise in investments, which gave it the region's highest GDP growth rate of 12 percent, Thailand is finding further development hamstrung by inadequate infrastructure. More than US$32 billion will be poured into infrastructure-improvement programs in 1991-92, alleviating problems in industrialized areas; traffic and port congestion, however, will continue to slow development for some time.

Electricity demand in Thailand nearly equals capacity, with a reserve of only 4 percent. More than US$20 billion has been earmarked for 59 power-generation plants by the year 2001.

Plans call for the installation of an additional three million telephone lines by 1996 to improve telecommunications throughout the kingdom. Existing telecommunication systems must also be upgraded to serve increasingly sophisticated business requirements.

The new port at Laem Chabang has relieved some of the congestion at Bangkok's crowded Klong Toey port, but more ports must be developed as Laem Chabang will have reached full capacity by 1995. A port at Mab Ta Phud to handle petrochemicals will be completed in 1992. Airport expansion at Bangkok's Don Muang Airport will be insufficient to cope with the increased number of arrivals. A second airport is planned at nearby Nong Ngu Hau.

A budget of US$30 billion has been allocated to build sky trains, expressways and other rapid-transit systems. While these will help relieve Bangkok's notorious traffic congestion, most will not be completed until 1997; by then, the number of vehicles is expected to double.

—Steve Van Beek

How to Welcome 100 Million Tourists

Continued from Page I

Hong Kong a second gateway to southern China.

With the massive increase in regional traffic, Asian airlines are expected to outperform world carriers in the next few years, but aviation analyst William Burke, managing director of Avmark Asia Ltd. in Hong Kong, says that the airline industry is in turmoil because the Gulf war discouraged long-haul travel and increased fuel prices.

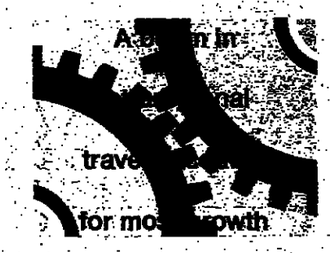
Airlines, often seen as national symbols, do not always represent the same investment opportunities as hotels or resorts. Many nations would as soon sell the national airline as they would the national anthem or the flag. Nevertheless, several airlines have been scheduled for privatization, including Qantas, Australian Airlines, Thai Airways International, Garuda Indonesia and Philippine Airlines (PAL). While these businesses looked attractive a year ago, Mr. Burke says they have lost some of their appeal because of fuel price hikes.

"An airline has to look like it is going to make money to make it attractive to investors," he explains. Qantas, because of the poor timing of its privatization project, has delayed its sale until the airline can recover from the effects of the war.

Garuda's plans appear to be on hold as well, while Thai Airways International is seeking listings on the Securities Exchange to raise capital as a first step toward privatization.

In Manila, potential investors are wary of PAL, which had major losses last year, largely the result of the fuel crisis, compounded by management problems.

Meanwhile, some of the region's airlines are going on shopping sprees. Singapore Airlines (SIA) has announced the purchase of six more Boeing 747-400 Megatops, bringing its total to 56. In the financial year 1989-90, SIA spent S$1.05 billion (US$610.5 million) purchasing aircraft, engines and parts. The company financed its entire expenditure through its operations and sale of aircraft and spares. In March, Japan Airlines announced plans to invest 680 billion yen ($5 trillion) in aircraft and airport facilities by 1993.



Dozens of new carriers of various sizes are spreading their wings across Asia and the Pacific to challenge the established airlines. Some of the largest new carriers include Hong Kong's Dragon Air, Taiwan's Eva, South Korea's Asiana, Thailand's (a subsidiary of SIA) and Japan's All Nippon Airways.

With so much expansion of infrastructure, several nations are liberalizing policies to encourage foreign investment in this high-priority sector.

"Malaysia has really come on strong in the past two years for foreign investment, particularly from Japan," says Mr. Burke. "Indonesia has loosened restrictions on the import of jet aircraft in the past two years. Before, it was a protected environment for the local aircraft makers, but with the demands for increased domestic air service, there is a need for more jet aircraft."

The Philippines continues to be plagued by political and natural disasters. Mr. Burke says the country has to solve its political problems before it is considered by investors.

Southeast Asia is looking to Japan, Taiwan and Korea for investment. German, French and Swiss businessmen are interested in investing in Vietnam, which could follow Thailand's success in tourism and economic development. Mr. Burke notes that Americans are slow to invest in tourism in this part of the world.

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—Gary Marchant

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Singapore Telecom / The 'Enabling Technologies'

Toward Information-Driven Development

Singapore Telecom is a prime mover in Singapore's emergence as a regional leader in "enabling technologies," which will permit rapid economic development over the next decade.

A pioneer in Asian telecommunications, Singapore installed the region's first private telephone switchboard and 50 lines in 1879. By 1950, the network had grown to 18,860 lines and by 1987, to 860,000 lines, or 43 telephones per 100 population, the second-highest level in Asia.

In 1974, domestic and international services were merged to create the Telecommunications Authority of Singapore. In 1982, it assumed responsibility for all postal services and in 1989, was renamed Singapore Telecom.

Although operated as a statutory board owned by the Singapore government, it enjoys virtual managerial autonomy. This status has enabled it to develop into one of the world's most modern telecommunications companies and to record a number of firsts for Asia.

It established the first fully push-button domestic telephone network, giving Singapore the highest density of public telephones in the world. Its cellular mobile handheld telephones, introduced in August 1988, were the first to be usable underground.

The same year, it introduced video-conferencing. In October 1990, the company established links with Bahrain, the 15th destination in the network. In 1989, it became the first in the world to offer ISDN service nationwide. In October 1989, it introduced Teleview, the world's most advanced interactive photovideotex system and in February 1991, the world's first global aeronautical satellite communications service for in-flight telephone calls. Under its expansion program, Singapore will achieve 100-percent digitalization by 1994 as part of a 1990-1995 US$1.5-billion capital-investment program.

On Aug. 6, 1991, President and CEO Wong Hung Khim signed documents in Britain making Singapore a 20-percent partner in a nine-nation consortium to install the first optical-fiber submarine cable system in the Asia-Pacific region. The system, built by Fujitsu Ltd., will link Singapore, Malaysia, Hong Kong, Taiwan and Japan and will become the core of the telecommunications infrastructure in the Asia-Pacific region.

It has also moved into equipment manufacturing, creating a wholly owned subsidiary to build terminals. The company is presently being privatized to give it more flexibility.

Addressing the subject of telecommunications in the 1990s, Telecom Chairman Koh Boon Hwee echoes other Singaporean business leaders in calling for the increased globalization of Telecom's operations. The new systems will serve new types of information-driven industries operated by computer-literate Singaporeans.

S.V.B.

Powerful Incentives for Cooperation

Continued from Page I

call for the creation of a wider grouping of states stretching across Asia and including some countries, such as Vietnam, that still have centralized economies.

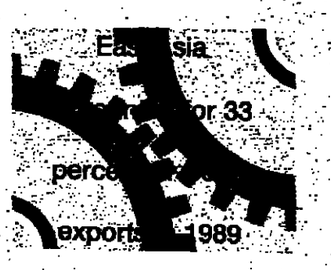
Not stated, but implicit in this strategy, is the idea that cooperation at a regional level can help counterbalance the immense economic power of Japan.

The influential Japanese politician Michio Watanabe has frankly acknowledged fears of Japanese "economic imperialism," but he insists that this is not the case. In support of his argument, Mr. Watanabe says that Japan and the member countries of ASEAN have achieved something of a trade balance. Two years ago, Japanese exports to ASEAN countries totaled some $26 billion, while imports were $25.8 billion.

Although Southeast Asia has become an important source of lower-cost production for export-oriented Japanese manufacturers, only 4.7 percent of Japan's long-term capital outflows went to Asia as a whole, and only 12.2 percent of Japanese direct investment went to the region. Nevertheless, Japan remains the linchpin for economic development, and there is a desire to cooperate with rather than confront the Japanese.

Australia has come forward with a plan for an Asia-Pacific Economic Forum in which Japan and the United States would play a major role. The ASEAN countries have cautiously agreed to join the forum. The aim is to keep trading doors open and to explore areas of cooperation. In conception and practice it is a looser association than that envisaged by Mr. Mahathir.

The countries of the region are acutely aware of the need to diminish their dependence on the American market and are following the example set by the Japanese who, ironically,



are focusing on the countries of Southeast Asia as the best prospect for new markets. The problem is that everyone is targeting the same new markets, which are not expanding fast enough to accommodate the supply generated by the aggressive exporters from the East Asian countries.

Diversification of markets is no easy task, especially since the major customer, the United States, is running a trade deficit with the countries of East Asia that is far larger than its deficit with the rest of the world.

In 1989, the United States alone accounted for around one-third of all exports from the region. This creates classic conditions to encourage a protectionist lobby. Individual countries, especially smaller developing nations, find it hard to resist this kind of pressure.

Mr. Mahathir's plan is for the countries of ASEAN to link up with powerful nations such as Japan and China to create what Singapore's Mr. Goh calls a "bigger team." He argues that linking up with other countries would prevent the ASEAN countries from being "sidelined."

All the states of the region do not necessarily have common interests, however, and they are highly protective of their national autonomy. This limits the scope of what Mr. Goh would describe as team playing.

Within East Asia itself, there is a pattern of uneven development, with countries such as Indonesia, Malaysia, the Philippines and Thailand still focusing on cost-competitive manufacturing while rivals such as Taiwan and Korea are busy moving upmarket into more sophisticated areas of production. Meanwhile, Hong Kong and Singapore are increasingly focusing on expansion of service industries.

It is hard to mold such diverse countries into a coherent grouping, but growing protectionist pressures are providing a powerful catalyst.

—Steven Vines

Malaysia / The Next Tiger?

A Regional Powerhouse of the '90s

Malaysia is on the verge of an investment explosion. Foreign-investment approvals have quadrupled over the past four years, according to the Malaysian Industrial Development Authority, and the momentum is building.

Malaysia is no longer dependent on commodities, and manufacturing has taken center stage. The country is the world's largest exporter of semiconductors and rubber gloves and the world's third-largest exporter of air conditioners. All these sectors have a high level of foreign participation.

"It's not a stroke of luck. It's a concerted effort, a nose-to-the-grindstone approach," says Rafidah Aziz, minister of trade and industry, referring to the government's aggressive campaign to attract foreign investors.

Foreign investors are lured by low wages, excellent infrastructure, and equity and fiscal concessions. The Sixth Malaysia Plan, released on July 10, calls for a bigger role for the private sector; this is known as the "Malaysia Incorporated" concept. The plan implies that the determined campaign to attract foreign investment will continue. The task of selling Malaysia is made easier by the success of foreign firms that have located there.

"The country takes pride in the continued political and economic stability that provides an excellent environment for investment," says Ms. Rafidah. "Generous investment incentives, liberal foreign-exchange regulations, and an efficient and productive work force serve as incentives."

While most investments take the form of large projects from Japan, Hong Kong, Taiwan and Singapore, smaller supporting industries have sprung up.

The government's drive to broaden the country's economic base and attract more foreign capital began in the early 1980s. As a result, Malaysia's dependence on commodities has declined. Manufacturing's share of the gross domestic product has risen from 19.5 percent in 1980 to lead all other sectors last year.

The Industrial Coordination Act, passed in 1975, is the principal legislation relating to the licensing of industrial projects. Since the early 1980s, foreign investors have been allowed 100-percent equity if they export 80 percent of their output. Since 1986, however, investors who export 50 percent of their output or employ 350 full-time Malaysian workers and manufacture products that do not compete with those manufactured locally for the domestic market have been allowed 100-percent equity. This policy will continue up until December 31, 1991.

Malaysia rates high in terms of almost all investment criteria. The Malaysian constitution safeguards foreign investments from expropriation. Since the country's independence 33 years ago, the strength of its currency has been maintained through sound monetary policies. Malaysia has an excellent road, rail and air system. The government recently announced plans to build a new US$7.4-billion airport that will serve Kuala Lumpur and neighboring areas. Malaysia's communications system has been designated by the World Bank as being in the "A" category, comparable with those of the most developed countries in the world. Malaysia's power and water facilities meet international standards, and there are 140 developed industrial estates throughout the country.

The Langkawi International Maritime and Aerospace Exhibition, which

will run from November 11 to 15, has been organized to promote Malaysia as a center for high-tech investments and to advertise the beauty of Langkawi as an international exhibition site and resort.

The Malaysian government has shown its support for the exhibition, an Asian first, by spending M$21 million (US$7.6 million) to expand the terminal and aprons to hold more than 100 commercial and military aircraft exhibited by the world's largest manufacturers. At the nearby marina, about 100 naval and pleasure boats will be displayed in what is hoped will be a biennial event rivaling the Paris Air Show. Dato' Radzi Manan, the show's organizer, announced that the famed Dick Rutan aerial acrobatic team has signed as the premier attraction at the exhibition.

Because Malaysia is now shifting from middle-level to high-level technology, it has concentrated on training workers to meet the requirements of high-technology endeavors.

The labor force is made up of about seven million people and is growing at about 3 percent annually. Labor-intensive industries are still welcome, and companies willing to locate in smaller urban centers are given special incentives.

Incentives include tax relief for pioneer industries and an investment tax allowance of up to 100 percent; an abatement of 5 percent of adjusted income for companies that locate in promoted industrial areas; a reinvestment allowance; export credit refinancing; an abatement of adjusted income for exports; export allowance of 5 percent; and an industrial building allowance.

Incentives are also given for investments that provide training and for those that include research and development. Special packages are available for agro-industries and companies wishing to invest in the tourism industry.

"From our experience, those who invest in Malaysia are stayers," says Ms. Rafidah. "They don't pack up and go after the incentive period. Many expand and diversify within the first year, a welcome trend. Our selling point is stability."

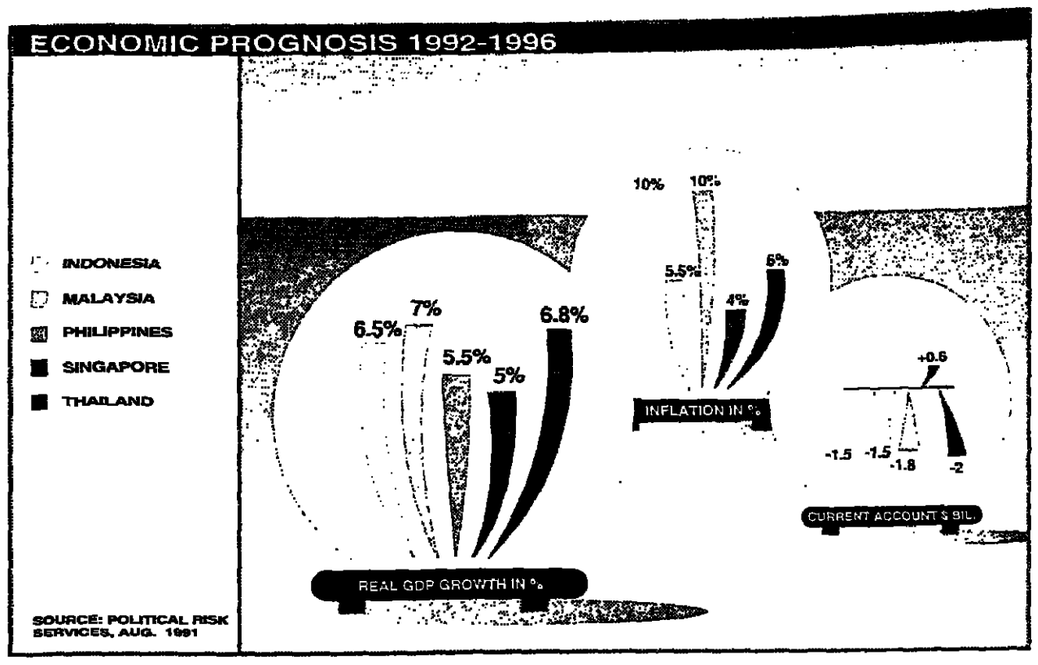
Positive changes have coincided with Ms. Rafidah's takeover of the commerce and trade portfolio four years ago. A former university professor of economics, she is credited with innovations such as the Coordination Center for Investment, a one-stop foreign-investment window with a guaranteed six-week turnaround on project applications.

The Malaysian Industrial Development Authority lists the following industries as prime investment opportunities in Malaysia: rubber products; industries based on palm and palm-kernel oil; food and beverages; electronics; timber-based industries; precision products; heavy industry such as cement and sponge iron; chemical and chemical products; plastics; and textiles.

Local industry has also been boosted by the expansion of Malaysia's trade network. Perwaja Steel Sdn. Bhd., founded in 1982 as a national integrated steel mill, recently signed a contract with Compania Minera del Pacifico SA to purchase around 1.5 million tons of iron-ore pellets. The ceremony, witnessed by Prime Minister Mahathir Mohamad, was a highlight of a Malaysian mission to South America to expand the country's trade ties.

Under the agreement, signed by Tan Sri Dato' Seri Eric Chia, Perwaja's managing director, the pellets, purchased for US$900 million, will be delivered over a 10-year period beginning in 1993 and will serve as raw material for the steel complex's operations in Terengganu.

Teresa Albor



Labuan / The New Malaysian Offshore Business Center

Island Offers Banking, Tax-free Haven

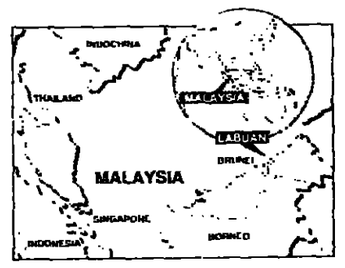
As Southeast Asian economies continue to boom, a tiny Malaysian island called Labuan hopes to cash in on the rapidly increasing liquidity of the region by becoming Asia's first tax haven and offshore banking center.

To succeed as an offshore node, Labuan must offer a package of financial inducements similar to those available in long-established offshore havens like Bermuda and the Cayman Islands. In addition, Labuan will have to match the convenience and efficiency of traditional Asian banking centers like Hong Kong and Singapore.

It is a tall order, but the Malaysian government seems well aware of the task ahead. "Of course, Labuan will have to compete with the established offshore centers," said Datuk Seri Rafidah Aziz, Malaysia's minister of trade and industry, last year, just before the federal parliament ratified the Offshore Companies Bill of 1990. She went on to suggest that promotion and marketing were the keys to Labuan's attainment of this goal.

The first challenge is to put Labuan on the map. Most bankers and brokers outside the region have never heard of the island, but Malaysian officials are quick to point out that, 20 years ago, no one knew where Cayman was. For the record, Labuan is a 92-square-kilometer (35.5-square-mile) speck of jungle and beaches in the South China Sea, off the west coast of Borneo. The island is within sight of the Malaysian states of Sarawak and Sabah and the oil-rich sultanate of Brunei.

A British naval station was established on Labuan in the 1870s, marking the start of more than 50 years of colonial rule. Japanese forces in Borneo surrendered here in 1945. The island was part of Sabah state until

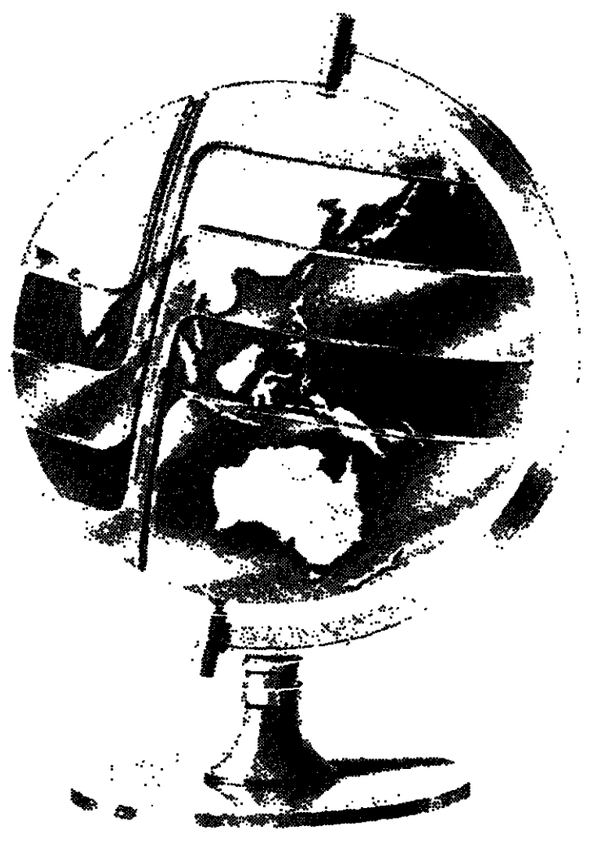


1984, when it was ceded to the federal government for development. Tax-free status came into effect this year.

A number of steps have been taken to attract offshore business. There are preferential tax laws, including exemption from withholding tax on royalties, management fees and technical fees. All offshore transactions are free from stamp duties. Expatriate staff should find it much easier to secure work permits in Labuan than in mainland Malaysia. Construction companies and financial-support operations such as law and accounting firms are offered a 50-percent rebate on corporate tax for the first five years of operations in Labuan.

The Malaysian government wants to attract banks, insurance companies and fund-management brokers to Labuan, in addition to offshore holding companies and multinational corporate headquarters. Datuk Paduka Daim Zainuddin, head of the Labuan Development Corp. and former Malaysian minister of finance, says that several Hong Kong companies are already interested in relocating to Labuan prior to Chinese rule in 1997.

Joe Yogerst



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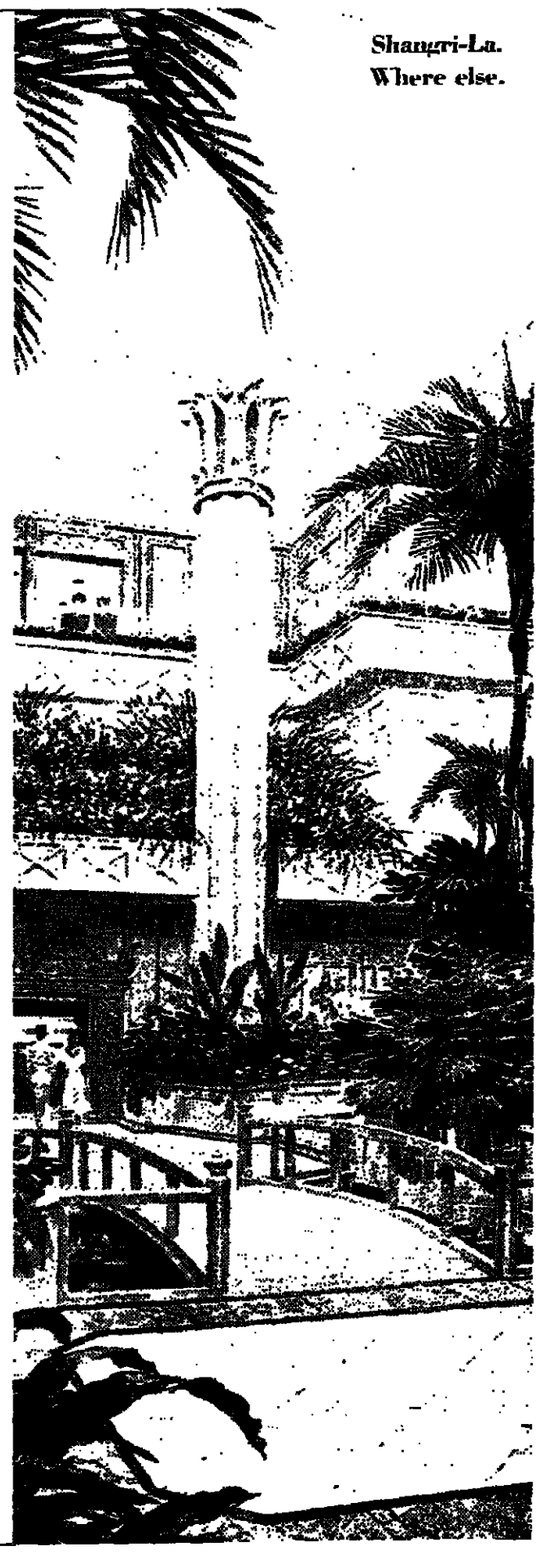

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TRADE & INVESTMENT THE TWIN ENGINES OF GROWTH

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	INDONESIA	MALAYSIA	PHILIPPINES	SINGAPORE	THAILAND
INVESTMENT POLICY	Jakarta particularly welcomes investment outside the Riau islands.	Favors downstream processing of natural resources, as well as basic and fabricated metal, petroleum and transport industries.	Has just opened many industries to 100-percent foreign ownership.	Offers incentives to high-tech activities; operational headquarters for the region; and financial services firms.	Export-oriented activities will benefit from intended import-duty cuts and exemptions from value-added tax.
TRADE LIBERALIZATION	Recent tariff cuts will help manufacturers by cutting costs of imported inputs.	Duties on rubber, pepper, tin, some office equipment and many electrical appliances have been abolished.	The 9-percent import levy will be eliminated by year-end.	Will remain a free port.	The government is trying to reduce tariff and nontariff barriers across the board.
LABOR AND WAGES	Plentiful, cheap, unskilled labor. Good managers command higher wages.	Wages for skilled staff are climbing.	Rising costs could lead to higher wage demands.	Labor is relatively expensive. Government is trying to raise productivity.	Profiency in English is limited.
TAXES	Expected to increase.	The 1991 budget cut the corporate development tax and introduced R&D and reinvestment exemptions.	New taxes are expected to replace the import levy.	Sales tax expected by early 1992.	A value-added tax is expected next year, which will broaden the tax base and cut down on evasion.

Source: Business Asia, a weekly report published by Business International.

Criteria / Reasons to Invest

Southeast Asia's Advantage? Profits

As one economist put it, capital flows toward the possibility of greatest return. There is no doubt that the profits being made by investors in Southeast Asia are the region's strongest drawing card.

"The figures speak for themselves. Just look at all the investments that have come in and are continuing to come into the region," says Eugene Marais, head of research for Baring Securities' Malaysia office.

While the rest of the world struggles to pull out of recession, Southeast Asia's economy has slowed down slightly but is still booming.

Between 1980 and 1988, the region's value-added manufacturing, much of it the result of foreign investment, grew by an average of 7.8 percent per year, compared with Europe's yearly average growth of 2 percent.

There are good reasons for the bottom line. In terms of investment criteria, Southeast Asia comes out on top compared with any other region in the world.

The low cost of labor, labor skills, improving infrastructure (including telecommunications and power) and tax incentives are drawing investors to the region.

Those interested in quality high-tech industries are moving into Singapore, Hong Kong and, more recently, Malaysia. Labor-intensive industries are expanding in Indonesia, Thailand and the Philippines.

"Besides the fact that the infrastructure is a bit better than in other developing regions, many Southeast Asian governments have aggressive policies to attract investment," says Mr. Marais. These policies include liberal tax holidays, especially for firms in

export and pioneer sectors, and special foreign-exchange repatriation arrangements.

Over the past five years, the region has seen reforms in trade, industrial and fiscal policies. Import-liberalization measures have been extended, and the promotion of the private sector as the mainspring of development continues to be emphasized. Most countries in the region have eased restrictions on foreign investment.

In many cases, foreign companies that are willing to invest in export-processing zones are offered generous packages. Investors that locate, for example, in an industrial estate being constructed on Indonesia's Batam island will be allowed 100-percent foreign-equity ownership for the first five years and 95 percent thereafter.

Singapore offers attractive incentives for multinational firms to locate their regional offices there. The Philippine government has just passed a new Foreign Investment Law, which will allow 100-percent foreign investment in almost all sectors over the next three years.

A massive inflow of foreign investment has been one of the major forces behind the development of the Malaysian economy. Foreign investment has been attracted by the country's good infrastructure, low wages and policies more favorable to foreign investment since 1986.

It is expected that foreign direct investment in the region will continue to expand as rapidly as it has in the recent past. As the countries of Southeast Asia continue to liberalize trade policies, high levels of investment will fuel growth in the regional market, which is expected to continue to outpace that in the other major export markets, principally North America and Europe.

Teresa Albor

Singapore / A Flare for Attracting Business

A User-Friendly Gateway to the Region

Victory by the ruling People's Action Party in the Aug. 31 general election highlights one of the factors that has made Singapore so attractive to investors over the years: political stability.

The PAP has guided Singapore since independence in 1965, first under longtime Prime Minister Lee Kwan Yew and, since last year, under Goh Chok Tong. Often labeled conservative, the PAP governments have shown a progressive flare for economics, guiding the island-state into unparalleled economic prosperity.

Even today, while much of the world is mired in recession, Singapore continues to bask in the economic limelight of escalating foreign investment and healthy exports. Although the government predicted that economic growth would slow to between 3 percent and 6 percent in 1991, the gross domestic product increased by 7.5 percent in the first quarter of the year, despite the impact of the Gulf war.

Every aspect of the Singapore economy seems robust. Total trade reached US$120 billion in 1990. The balance of payments was nearly $5.8 billion in the black. Foreign reserves stood at $28.2 billion at the end of 1990, and the current-account surplus is more than $2.4 billion. Singapore's banks are the strongest in Asia outside of Japan, with an average capital-adequacy ratio of 10.13 percent.

Besides political stability and a healthy domestic economy, several other factors continue to attract investors. The Economic Development Board has become a regional model of one-stop service, offering quick and efficient help to anyone interested in investing in the island. The government continues to streamline investment procedures and offers handsome tax benefits in promoted industries.

Singapore continues to enhance its infrastructure at a pace unmatched in Southeast Asia. A second terminal was recently unveiled at Changi Airport, increasing capacity to 24 million passengers per year. The $440-million mass-rapid-transit system was finished last year, two years ahead of schedule and 15 percent under budget. More than $500 million is being spent on the Brani Container Terminal, which will help Singapore maintain its lead as the world's busiest container port. The island's telephone network will be completely digital by 1994, and Singapore already has the world's first fully computerized postal service.

Singapore also offers a "green" environment. It is one of the few major cities in Asia not overwhelmed by traffic, pollution and poverty. The standard of living is on a par with many European and North American cities and the crime rate is relatively low.

According to the EDB, more than 3,000 international companies were operating in Singapore at the end of August, roughly 700 of them in the manufacturing sector.

"Singapore's foreign investment is equally distributed, with one third each shared by the United States, Europe and Asia," says Lee Suan Hiang, director of the EDB's Industrial Development and Marketing Support divi-

sions. "This enables us to ride economic fluctuations. The same mix is found in industry as well."

Manufacturing continues to be one of the strongest sectors, chalking up a healthy 9.5-percent growth rate in 1990 and a similar figure the previous year. Investment in manufacturing hit a record $1.4 billion in 1990; a further $340 million was committed in the first quarter of this year, 80 percent of it from overseas sources, with the United States, Japan and Europe as the leading players.

Americans in particular seem bullish on Singapore. The United States remains the largest single investor in Singapore, with a cumulative total of $9 billion spread through 800 companies. Last year, U.S. firms poured more than $500 million into the island, outstripping Japan, the second-largest investor, by more than 30 percent.

"U.S. investment continues to rise, with more and more U.S. companies coming here," says George Ruffner, commercial counselor of the U.S. Embassy. "Singapore is the gateway to the region. It is user-friendly: no language difference, no trade barriers, a good place for families, a good hub."

A 1989 study by the U.S. Department of Commerce showed that U.S. companies get a higher return on their money in Singapore than in any other country in Asia. The rate of return on investment averaged 36 percent between 1979 and 1987, compared with a return of about 20 percent in other Asian nations.

U.S. investment is concentrated in the petroleum, chemical, electronics and computer sectors. American investment in the Singapore electronics industry hit $173 million last year, surpassing oil-industry investment ($145 million in 1990) for the first time.

Singapore offers a perfect location for exploration and refining in Southeast Asia because of its proximity to the vast oil and gas fields of Sumatra and Borneo, as well as to major customers like Japan, Taiwan and South Korea.

Du Pont is building a $225-million nylon facility; $2 billion in new investment will be spent over the next decade as the Delaware-based chemical giant transforms Singapore into its top Asian base. General Electric Plastics plans a $440-million polymere and resin factory, and Esso says it will sink another $1 billion into Singapore facilities by the year 2000.

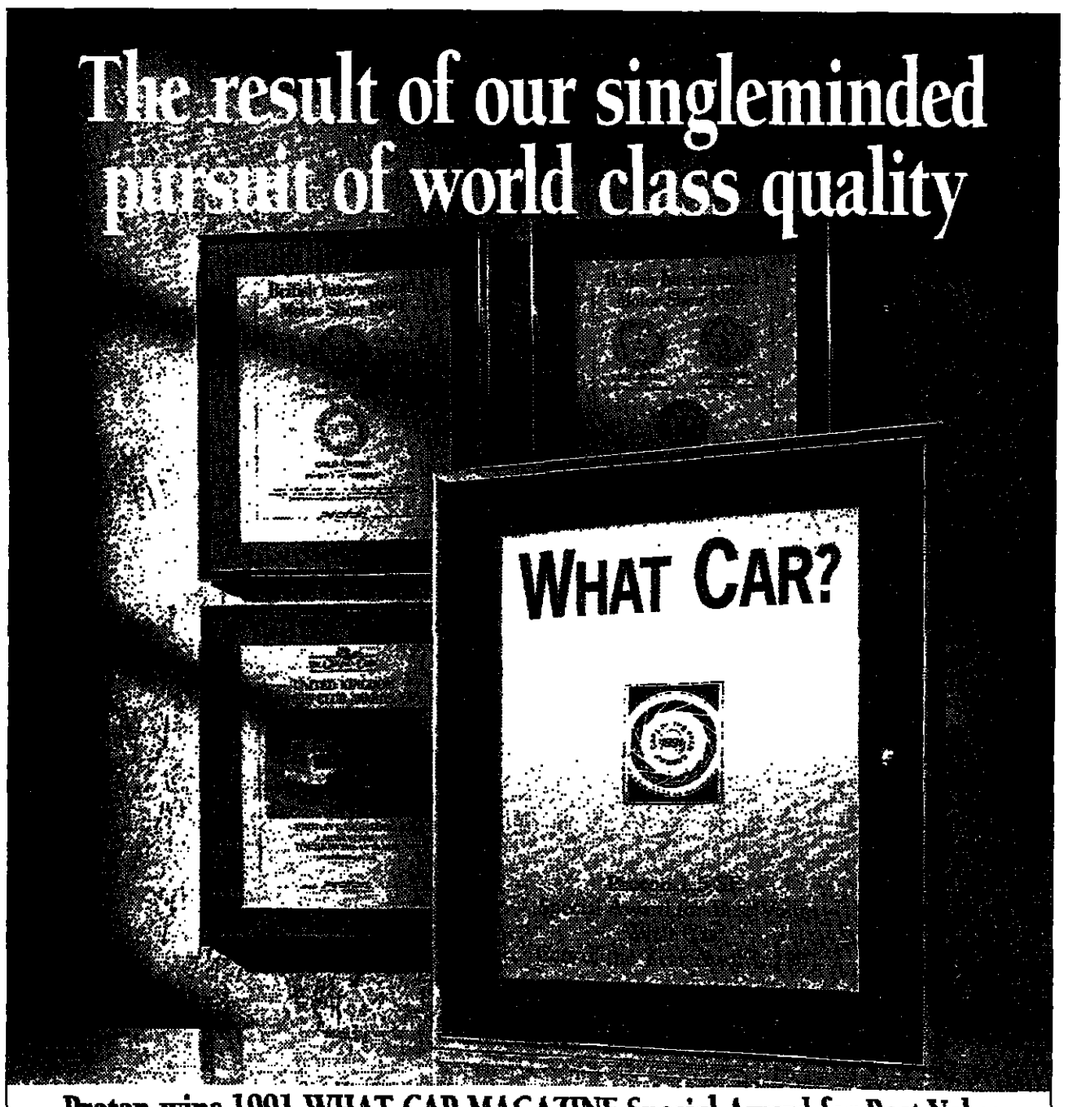
American computer companies favor Singapore because its skilled labor and lower wages enable them to manufacture products at higher quality and lower cost than at home. High-tech heavyweights such as Hewlett Packard, Unisys, Apple, Compaq, Lotus, Seagate, Digital Equipment and Conner Peripherals have established manufacturing operations in Singapore.

According to the EDB, Japanese companies poured more than $270 million into Singapore in 1989. Total investment from the European Community topped $262 million the same year. The Japanese are investing heavily in the machinery industry, while Europeans have converged on the electronics and oil sectors.

Singapore is not without its problems, however. "It's a tight labor market, and the cost of living is high," says Mr. Ruffner. Unemployment hit a record low of 1.7 percent in 1990. There simply are not enough people to fill the available jobs. The escalating shortage of skilled workers is exacerbated by the government's reluctance to import more labor.

The tight labor market has led to wage increases, boosting inflation and the overall cost of doing business in Singapore. Wages increased by 9.4 percent in 1990, the third straight year of steep rises. Consumer prices escalated 3.4 percent during the same 12-month period, the highest rate of inflation since 1982. A similar rate is forecast for this year.

J.Y.



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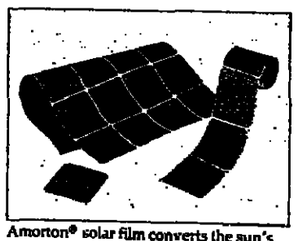

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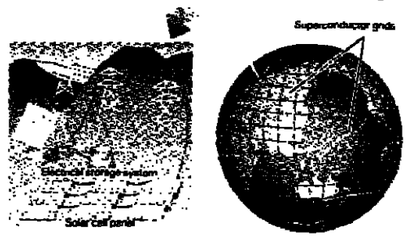

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SOUTHEAST ASIA

Thailand / Economic Policies Pay Off

In the Land of Smiles, a Knack for Business

Thailand's economy, fueled primarily by the mushrooming tourist industry, took off in 1987 and remains one of the fastest growing in the world.

When Tom Beddow came to Bangkok 24 years ago to set up a factory, it was mainly because the Minnesota Mining and Manufacturing Co.'s "make a little, sell a little" approach meshed well with Thailand's quietly growing economy.

The factory started making adhesive tape and expanded to include some of the U.S. giant's other 60,000 products. That put Mr. Beddow's company, now with 360 Thai employees and two Americans, in a position to benefit from the country's current boom. The economy grew 9.5 percent in 1987, compared with 3.5 percent in 1985 and 4.9 percent in 1986. The growth rate jumped to 13.2 percent in 1988, 12.3 percent in 1989 and about 10 percent last year.

This year, the economy is expected to grow about 9 percent, despite a drop in tourism because of the Gulf war. Private investment is expected to expand by 9.5 percent, manufacturing by 10.5 percent and construction by 11.2 percent. Inflation is projected at a modest 6 percent.

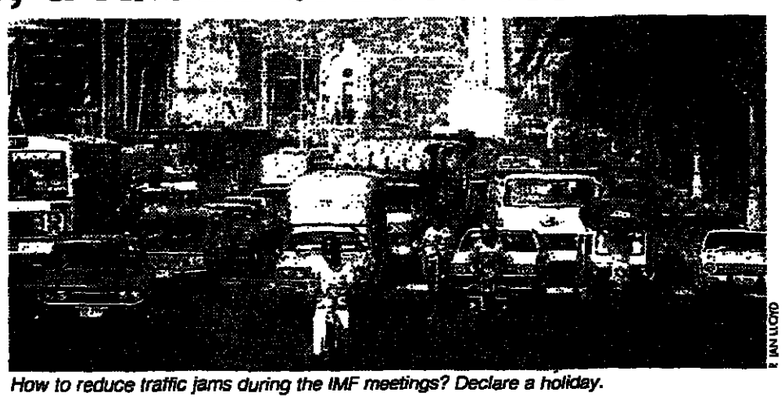
"The investment climate here is heads and shoulders above any other place in the region," says Thomas Seale, head of the American Chamber of Commerce in Thailand.

Staporn Kavitanon, deputy secretary general of the Office of the Board of Investment, says Thailand's success is based on a combination of factors.

Says Bangkok attorney Harold Vickery: "You make money here. You get a good return on your investment."

Thailand's government has long had a laissez-faire attitude toward business, steering clear of overregulation, says Mr. Vickery, whose firm specializes in start-up work for companies moving to Thailand.

"People are very happy with productivity here," he says, adding that the Thai work force is very good at general and journeyman skills, and there are more skilled workers here now than usual because many returned from the Middle East when the Gulf war began.



How to reduce traffic jams during the IMF meetings? Declare a holiday.

Mr. Staporn notes, however, that Thailand no longer offers cheap labor. "Wage-wise, we compare with many developed countries," he says. "We are not on the low side, and we are not on the high side, but rather on the medium side." He points out that labor unrest is minimal.

Mr. Staporn feels that Thailand's way of doing business has proven solid over the years.

"On the economic front, I think our economic management is quite prudent," he says. "The country has survived many crises. It proved to be outstanding in the recession time many years back. That explains the resiliency of our economic structure. We do not depend on any one single sector. Our economy is supported by every sector, and within every sector we are very diversified."

Thais are also quite conservative in their policies. Thailand has a long history of coups and coup attempts, but the generals usually avoid interfering with the business world. The last coup, on Feb. 23, was totally peaceful. Within days, the generals named an interim government composed mostly of highly respected technocrats drawn from the business world.

The current government is moving forward on a $6-billion project to upgrade the nation's telephone system; the project is expected to begin next year. Several mass-transit projects for Bangkok are pending, and the one likely to move forward first — possibly next year — is an $800-million elevated train system.

Other factors also contribute to the favorable business climate. "The currency is stable," Mr. Staporn says. The Thai baht has hovered at about 25 to the U.S. dollar for years.

"We have a low debt service," Mr. Staporn continues. "It went from 22 percent [in 1985] down to 8 percent [this year]."

To lure foreign investors, Thailand offers a holiday on corporate income taxes ranging form three to eight years, depending on where a company locates. If a company comes to the Bangkok area, it gets a five-year tax holiday on an industrial estate or three years outside one.

"In the rest of the country, in the 37 provinces, you get eight years in industrial zones and six years outside industrial zones," Mr. Staporn says.

Another, less tangible factor entices people to the "Land of Smiles."

"We have never been colonized," Mr. Staporn says. Our attitude toward foreigners not only in the tourist sector but also in trade and investment is very positive. We have no colonial hang-up, no prejudice."

Jim Hatton

Philippines / Opportunities for Growth

Stability Is Part of Deal Offered to Foreign Investors

The Philippines had one of the lower levels of foreign investment in the region in recent years, but the nation's large supply of skilled, English-speaking workers and the new laws geared to attract investors give reason for optimism, according to analysts.

"I'm confident that with our move toward a more liberalized investment climate, coupled with our intensified promotions campaign, we will be able to attract more investment," says Peter D. Garrucho, the Philippines' secretary of trade and industry.

According to the country's Board of Investments, the value of foreign-investment approvals was 70.78 billion pesos ($2.67 billion) in 1989 and 108.43 billion pesos in 1990. The first half of 1991 shows an improvement over last year, and Mr. Garrucho says the country is nowhere near reaching its capacity for foreign investment. Last year, Japan was the leader in foreign-equity investments in the Philippines, pumping in 32 percent of the total or 7.4 billion pesos, followed by Hong Kong with 5.1 billion pesos and Taiwan with 3.4 billion pesos.

The greatest asset of the Philippines is its productive and well-educated work force; the availability of skilled labor is higher than it has ever been. Workers have returned from the Gulf region, and the reduction of the U.S. military presence in the country means thousands of skilled workers have flooded the job market. Labor unrest has diminished dramatically as political stability has taken hold.

The Philippines tops the list of several regional surveys concerning the quality and cost competitiveness of labor. A study on preferred plant locations conducted by a Korean company ranked the Philippines first among Southeast Asian countries for direct and indirect labor costs. Another study, using figures provided by the Asian Development Bank, concludes that the average monthly wage in manufacturing in the Philippines is lower than that in all other countries in the region except Indonesia.

Investors who choose the Philippines over the next three years will be entitled to a new package of incentives, such as tax holidays, under the 1991 Foreign Investment Act. The final version of the law, signed by President Corazon C. Aquino on June 13, allows 100-percent foreign equity in almost all sectors. Margarito Teves, congressman and chairman of the House Committee on Economic Affairs, says the new investment legislation makes the Philippines competitive with other Southeast Asian countries in terms of incentives and benefits offered to investors. The new law may be supplemented with other measures, currently pending in the legislature, designed to liberalize the economy. These include proposals to set a 10-percent tariff on capital equipment, establish skills-training centers, allow land ownership in industrial estates, permit longer leases, reorient the BOI, liberalize banking edicts, and allow net loss carryover and accelerated depreciation.

A third factor that has caught the attention of investors is the Philippines' move toward political stability. The years since 1986 have seen a shift from the autocratic domination of ex-president Ferdinand Marcos to the moderate, representative rule of Mrs. Aquino. As she ends her term, it is clear her administration's policy of firm economic management and increased foreign participation is showing results. Interest rates and inflation have fallen, the budget deficit is narrowing, investments are increasing and companies have announced expansion plans.

The main candidates in next year's presidential and congressional elections have all endorsed a move toward a more open economy. Although growth is expected to somewhat slow over the next year, due to both domestic and global factors such as the continuing world recession, there is a consensus that 1992 could be the year the Philippines catches up with some of its rapidly industrializing neighbors.

T.A.

Conferences / World Bank, IMF

Another Feather In Thailand's Cap

The decision by the International Bank for Reconstruction and Development to hold its 46th annual World Bank/International Monetary Fund Conference in Bangkok is a tribute to Thailand's rapid economic growth and good macroeconomic management.

Scheduled for Oct. 15-17, the plenary session will draw 10,000 high-level delegates from 155 countries. Ministers of finance, governors of central banks, and top banking, development and business executives will gather to discuss World Bank/IMF policy and directions for 1992. Dozens of smaller consultative gatherings, including G-7 and G-24 meetings, will run between Oct. 10 and 20.

Among the key issues to be addressed will be the ramifications of Soviet Union reconstruction and a continuing study of the impact of development on the environment.

The main economic focus will be on areas of the world outside Southeast Asia primarily because most nations in that region have managed their economies fairly successfully. Discussions on regional issues will thus focus on program-related and not macroeconomic matters. Other subjects include the problems of developing world megacities like Bangkok.

"Thailand has done all the right things, so it serves as an excellent role model," says Philippe Amez, chief of the regional mission of the World Bank in Bangkok. "Thailand demonstrates what private industry can accomplish and which developmental matters the government must implement."

The organization's annual meeting is held in Washington D.C. but every third year moves to a foreign city. Thailand was chosen not only for its economic success but also for its superb hotel and entertainment facilities.

Thailand's preparations for the meeting were carried out in the same vigorous manner that has characterized its economic expansion. Deciding that it had no suitable conference site, it built a new one: the 2.5-billion baht ($1-billion) multipurpose Queen Sirikit National Convention Center. The five-building, 65,000-square-meter complex seats 10,000 in its main hall and has 2,000 international-direct-dialing telephone lines to alleviate Bangkok's persistent telecommunications problem.

The traffic problem has been dealt with by declaring a two-day public holiday to clear the streets of commuters. The remaining vehicles will be shepherded by 7,000 policemen. **S.V.B.**

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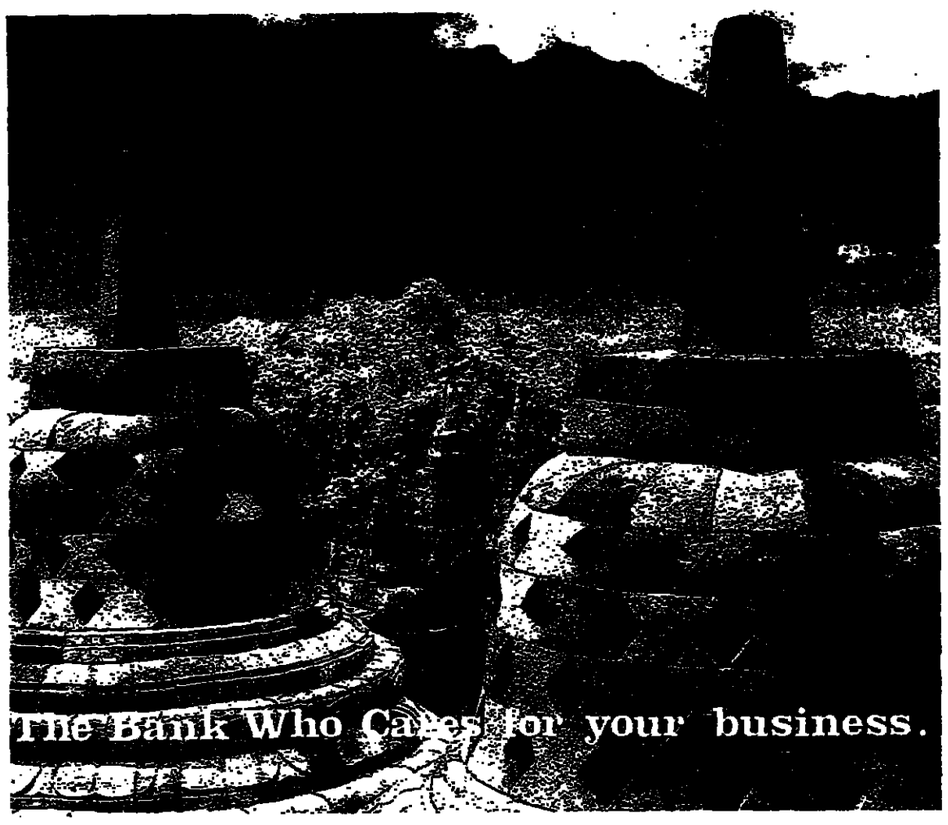

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To meet this demand, we are developing and managing the 500-hectare Batam Industrial Park on duty-free Batam Island just 20km south-east of Singapore.

It is a fully serviced industrial park with factory buildings, workers' accommodation and its own infrastructure and support facilities such as telecommunications, water and electricity supply.

The Park offers immense opportunities and prospects for manufacturers in high-tech, non-pollutive industries like the assembly of telecommunications equipment, electronic components for audio and video products, and printed circuit boards.

Batam Executive Village

For the expatriate staff of the Batam Industrial Park, we are developing the Batam Executive Village which offers housing, golfing, clubhouse facilities, shopping and a marina.

Bintan Industrial Estate

On Bintan Island, 45km south-east of Singapore, STIC is developing a 4000-hectare industrial estate to cater to industries such as garments, woodworking, footwear, food processing and toy manufacturing.

Bintan Beach International Resort

Located in the picturesque northern coast of Bintan Island, the 19,000-hectare Bintan Beach International Resort has 18km of beautiful unspoilt beaches, offering investors attractive possibilities to develop hotels, resorts, marinas, golf courses and theme parks.

STIC is part of a consortium developing and marketing the Bintan Beach International Resort. Land parcels are available for investors to build and operate hotels, resorts and other recreational facilities. Roads, electrical and water supplies as well as environmental management systems will be developed too.

To find out how you can locate your next factory at our industrial parks on Batam and Bintan or invest in the Bintan Beach International Resort, call Ms Shirley Wee, at the Riau Projects Division, Singapore Technologies Industrial Corporation on (65) 320 4966 or fax (65) 225 1089.

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Indonesia / The Impact of Deregulation

The New Challenge: Coping with Success

For years, Indonesia languished in an economic torpor as investors turned more toward Thailand and Malaysia. Today, however, the equatorial giant finds itself in the enviable position of garnering more foreign funds than any other nation in Southeast Asia

Indonesia's transformation has been sudden and dramatic. The country approved a record $8.7 billion in foreign direct investment last year, a massive 85-percent increase over 1989. Total foreign investment over the past three years is nearly $18 billion. Add to that domestic investment, now running at more than $30 billion per year, and it is clear that a staggering amount of money is being pumped into the economy.

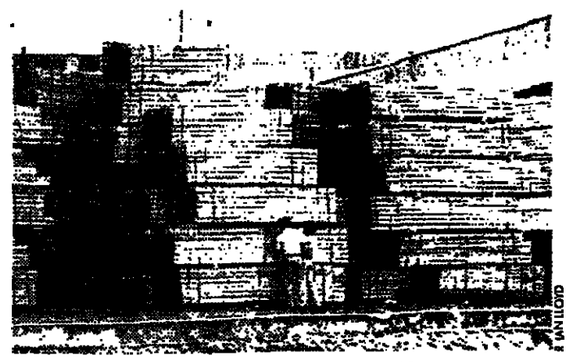
The government deserves much of the credit. Until six years ago, Indonesia had some of the most restrictive investment policies in Southeast Asia. Jakarta seemed determined to protect sluggish domestic industries and markets at almost any cost. The result was economic stagnation and dangerous overdependence on two related commodities: crude oil and natural gas. The turnaround came in 1985, when the government began to slacken its tight rein on the economy. Many key industries have been deregulated. Import restrictions have been eased and export procedures clarified. There has been a radical reduction in the Negative Investment List, the table of industries off-limits to foreign participation. Tax breaks and tariff rebates have become part and parcel to the government's new economic policy. Once-draconian investment procedures have been simplified and streamlined by a one-stop investment body called the BKPM.

Most important of all, the government has plowed ahead with ambitious plans to gradually diversify the economy away from its dependence on oil. Priority has been given to developing a broad base of manufacturing, mining and agricultural industries for the domestic and foreign markets.

The results have been astounding. Nonoil exports rose to $15.2 billion last year, or more than 60 percent of Indonesia's foreign-exchange earnings; this marks a dramatic turnaround from the early 1980s, when oil and gas dominated export earnings.

Several manufacturing sectors are booming. Textiles have soared into second place on the list of Indonesian exports, growing from a meager $559 million in 1985 to a whopping $2.9 billion last year. Overseas sales of wood products increased from $1.9 billion in 1985 to $2.7 billion in 1990, despite a government ban on the export of uncut logs. The production of industrial machinery, consumer electronic goods and chemicals is increasing rapidly.

As a further move to spur growth, the government announced plans to privatize 52 state-owned companies over the next few years, starting with the cement giant Semen Gresik last July. In addition, the financial sector has been liberalized, allowing for a rapid growth in private banks to keep pace with the investment flow. Earlier this year, sweeping new regulations were introduced to improve the stability and accountability of the banking sector.



Wood exports increased by 50 percent in 1990.

Deregulation has been the key to Indonesia's economic growth, but other factors have contributed to the boom in investment and trade.

One of the most important is the availability of cheap labor. Average wages are exceedingly low, on a par with those in Thailand, China and Vietnam. Worker benefits are meager. Even managerial salaries are low. According to a 1990 survey in World Executive's Digest, Jakarta executives have less purchasing power than their colleagues in seven other major Asian cities.

In addition, Indonesia offers low-priced energy and raw materials, a rapidly growing domestic market of more than 180 million consumers, and a strategic location close to more than two billion people on the Asian mainland.

There is a flip side to the development coin, however: vexing issues must be confronted and tackled by the Jakarta government before the Indonesian economy can reach its full potential. Despite the massive infusion of investment funds, Indonesia has a current-account deficit of $4.5 billion and a foreign debt that exceeds $55 billion. More than $7 billion came out of last year's budget for debt repayment — money the government would have liked to have spent on infrastructure improvements, health care and education.

Although the government is now taking steps to improve its transportation and communications systems, the pace of urban and industrial growth has already overstretched the infrastructure. It is often easier to make an international call than to dial someone across town. The roads of Jakarta, Surabaya and other major cities have become quagmires of slow-moving vehicles. Indonesia's port facilities lag far behind those of neighboring Singapore and Malaysia. The power supply has reached its limits and there is talk of electricity rationing.

The overall quality of the Indonesian work force is lower than that of most of the other free-market economies of East Asia, according to the highly regarded Business Environment Risk Intelligence index. This is likely to delay the development of less labor-intensive, more high-tech industries.

The avalanche of investment funds caused inflation to soar to 9.53 percent in 1990, its highest level in nearly a decade and well above the 6-percent inflation recorded the previous year. In an effort to control inflation, the government tightened the money supply and banks pushed their interest rates to a minimum of 22 percent.

In his annual speech to the nation in August, President Suharto announced that two years of rapid growth had strained Indonesia's ability to cope. He announced that the government would temporarily scale back its approval of investment in state-owned companies, and he urged the private sector to follow suit, especially with regard to overseas loans. By doing so, Mr. Suharto hopes to bring down both inflation and interest rates and stabilize the current-accounts deficit.

Japan remains the dominant player in the Indonesian investment scene. A recent survey by the Nihon Keizai Shimbun newspaper in Tokyo divulged that Japanese investors think Indonesia is their best bet in the next decade. Japan pumped more than $2.2 billion into the islands last year, followed by Hong Kong ($993 million), South Korea ($721 million), Singapore ($616 million) and the United States ($153 million).

Most of the big Japanese companies have grand plans for Indonesia. Nissan is expected to develop several vehicle-assembly plants in the next decade, to take advantage of the growing demand for cars and trucks in Indonesia and nearby export markets, as well as the close proximity to Australia, where much of the iron ore for vehicle steel is mined. Sony and Matsushita have major factories in the works to produce consumer electronics for domestic use and export, while Mitsubishi is developing a major chemical complex in West Java.

Joe Yogerst

Industrial Development / Joining Forces

Batam and Bintan: Isles of Opportunity

The Indonesian islands Batam and Bintan are examples of how cooperation can work to mutual benefit. About the same time that Singapore began running out of land, Indonesia was seeking new ventures to utilize its vast manpower reserves. The solution was to join forces.

Batam, two-thirds the size of Singapore, and Bintan, nearly double Singapore's 620 square kilometers (235 square miles), together with Singapore and Malaysia's Johore, form the southern leg of a "growth triangle." The development of Batam and Bintan is being financed solely through Southeast Asia. A major investor, Singapore Technologies Industrial Corp. (STIC), joined with Salim Group of Indonesia and Singapore's Jurong Environmental Engineering section to form PT Batamindo Investment Corp.

Beginning work on its 500-hectare (1,232-acre) plot on 1990, Batamindo had its first factory up by 1991. To date, Sumitomo, Phillips, Télémécanique, Smith Corona, Seagate, Rowater, Thomson, UTC Electronics and Natsteel Electronics have signed lease agreements.

Batamindo draws up the master design, acts as developing agent in executing construction contracts, and markets completed factories. It serves as a one-stop agency, constructing all infrastructure and handling all Indonesian government documentation, manpower procurement and training.

A second Singapore-Indonesia consortium led by STIC will develop 19,000 hectares of Bintan's prime beach land for 20 five-star hotels, 13 golf courses and other recreational facilities.

Singapore's five million and Indonesia's 2.1 million annual visitors are the target group of this project. A 4,000-hectare industrial park will be reserved for life-style industries.

For manufacturers, there are numerous incentives. Batam and Bintan are free-trade zones. Land tenure is on a 30 + 20 year basis, and labor costs are 30 percent of Singapore's. Investors can own 100-percent equity for the first five years and 95 percent thereafter.

S.V.B.

Teresa Albor is a free-lance financial journalist who covers Southeast Asia.
Jim Hatton, a free-lance writer based in Bangkok, has worked as a journalist in Asia for almost a decade.
Garry Marchant is a Hong Kong-based journalist who specializes in Asian political, financial and travel affairs.
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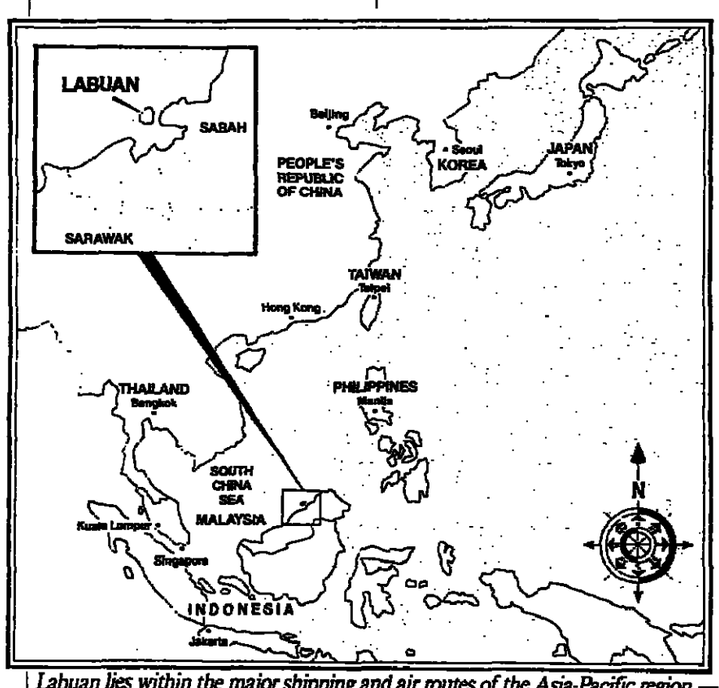

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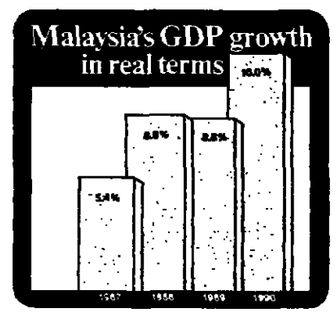

Malaysia's achievements come from political stability, prudent planning, an excellent administration system, a strong sense of economic direction and a vigorous industrial development program.

Financially, Malaysia boasts a stable currency, consistently low inflation rates and almost no foreign exchange control.

With her extensive road, rail, sea and air networks, Malaysia offers a highly developed infrastructure, while the telecommunications system ranks as one of the most sophisticated in South-East Asia.

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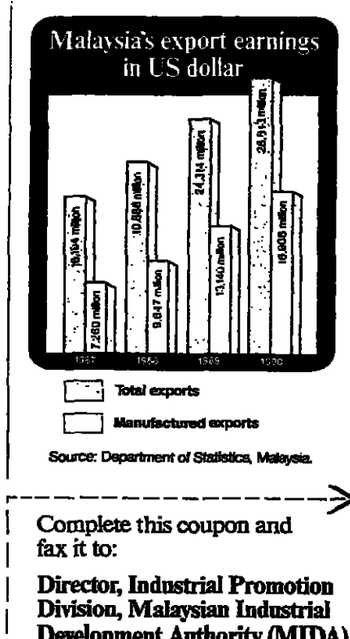

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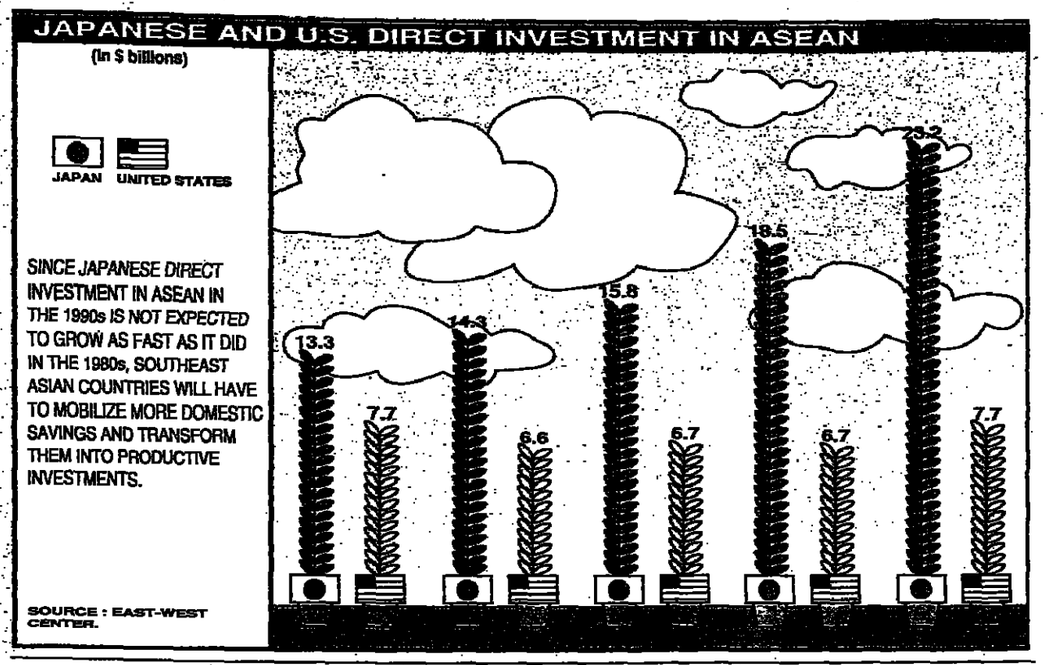


Competition For Capital

Continued from Page I

state enterprises, reducing their business holdings and concentrating on creating a proper environment for further growth. The public offerings of utilities, transportation and manufacturing concerns provide opportunities for investors experienced in management to become involved directly or as suppliers.

A country-by-country assessment of priorities reveals a broad range of investment needs over the next decade. Indonesia, which enjoyed a GDP growth of 7.1 percent in 1990, favors agrobusiness, mineral, timber and labor-intensive industries, which reduce its economy's traditional reliance on oil-related business. It also wants to move industry away from Jakarta and West Java to remoter areas. The appeal of Batam and Bintan is based in part on a large labor pool and the encouragement of export-based ventures, which can eventually be 95-percent foreign-owned.

Unlike Thailand and Indonesia, Malaysia's growth has taken place over a longer period of time and has been more broadly based. Good infrastructure allowed it to achieve a GDP growth of 10 percent in 1990. It has identified 12 priority investment areas for the next decade: rubber products, palm-oil products, food processing, wood-based products, consumer and industrial electronics, precision machine tools and metalworking machinery, chemicals and petrochemicals, nonferrous metals, nonmetallic mineral products, iron and steel bars and wires, transportation equipment, and yarn and textile production. Malaysia also has ambitious plans to privatize 246 firms.

Singapore continues to move from strength to strength, recording an 8.3-percent real GDP growth in 1990, with inflation held to less than 4 percent.

Lee Suan Hiang, director of the Industry Development Division of the Economic Development Board, says: "Singapore's constraints are land and labor. While we are not getting out of manufacturing, we must move toward high-value-added items that are skill-intensive, concentrating on key enabling technologies such as information technology, automation and biotechnology."

In 1990, Thailand's GDP growth slowed from 12.2 percent to a still-impressive 10 percent, while inflation remained less than 5.5 percent. After the coup d'état in February, the interim government's efforts to remedy administrative problems, modernize the country's infrastructure and regulate growth to put the economy on firmer footing have drawn enthusiastic response from investors.

Thailand's Board of Investment seeks a broad range of investments utilizing the country's minerals and other natural resources. It favors those industries willing to locate their production facilities away from congested Bangkok, notably along the Eastern Seaboard region southeast of the capital, where a new container port has been built at Laem Chabang. At the same time, Thailand is privatizing several state enterprises, including Thai Airways International, the national carrier.

The Philippines, beset by domestic problems, recorded a 1990 GDP growth rate of only 2.5 percent. To attract foreign investors, the government has introduced legislation to relax foreign-investment rules and has allocated funds to correct infrastructure problems, which have stymied rapid development.

Greater emphasis is placed on regional cooperation. Singapore's sophisticated economy and superior infrastructure dictate that it be the region's linchpin.

A key example of regional cooperation is the "growth triangle" of Malaysia, Singapore and Indonesia. With Singapore providing the managerial expertise, the three nations are transforming the Malaysian state of Johore and the Indonesian islands of Batam and Bintan, a few kilometers south of Singapore, into industrial zones.

A Singaporean company, Singapore Technologies, has been instrumental in turning the once sparsely populated islands of Batam and Bintan into industrial and recreational parks, providing an impressive array of infrastructure while Indonesia provides manpower and resources.

A similar arrangement has turned Johore into one of Malaysia's most prosperous states; foreign investment in Johore increased from US$263 million in 1987 to more than US$1 billion in 1990. Its success has led to a Malaysian call for the creation of a northern growth triangle, which would include Malaysia's Penang island, Indonesia's northern Sumatra and Thailand's southern provinces, with emphasis on agro-based industries.

The outlook for the region's future is bright. Southeast Asia suffered less from the buffeting of the world recession than other areas. Analysts expect the economic lull to last until 1993 or 1994, when Southeast Asia could once again become the hottest investment region in the world.

S.V.B.

NICs / Developing Status

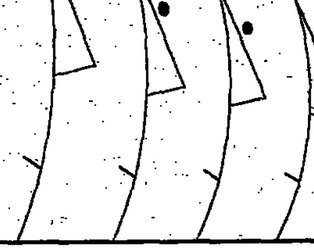
What It Takes to Join the Tigers

The designation "newly industrialized country" has a special cachet for the countries of Southeast Asia. It marks their elevation from the ranks of developing countries to the exclusive club of developed nations, joining the industrialized Four Tigers (Hong Kong, Singapore, Korea and Taiwan) of Asia and acquiring the clout the latter enjoy in international markets.

At the same time, NIC status brings to an end special concessional privileges enjoyed with major trading partners. With the strengthening of economic power comes the loss of General System of Preferences and other privileges that often lend a competitive edge.

A term coined in the 1970s, NIC (sometimes called NIE, or newly industrialized economy) is more of a conventional norm than an absolute one. It is generally defined as a country in which 30 percent of the gross domestic product is derived from manufacturing and whose population enjoys a minimum per-capita income of US$2,000 per year.

By these standards, two Southeast Asian nations — Malaysia and Thailand — are considered to be three to four years away from NIC status. Considerable improvements remain before Indonesia and the Philippines reach the same level of development.



One drawback of rapid growth for the region's would-be NICs is a steep rise in the formerly low costs of land and labor, factors that initially drew foreign investors. Because the rise has not been regionwide, however, it has created new opportunities for investors by giving them a wider range of investment options.

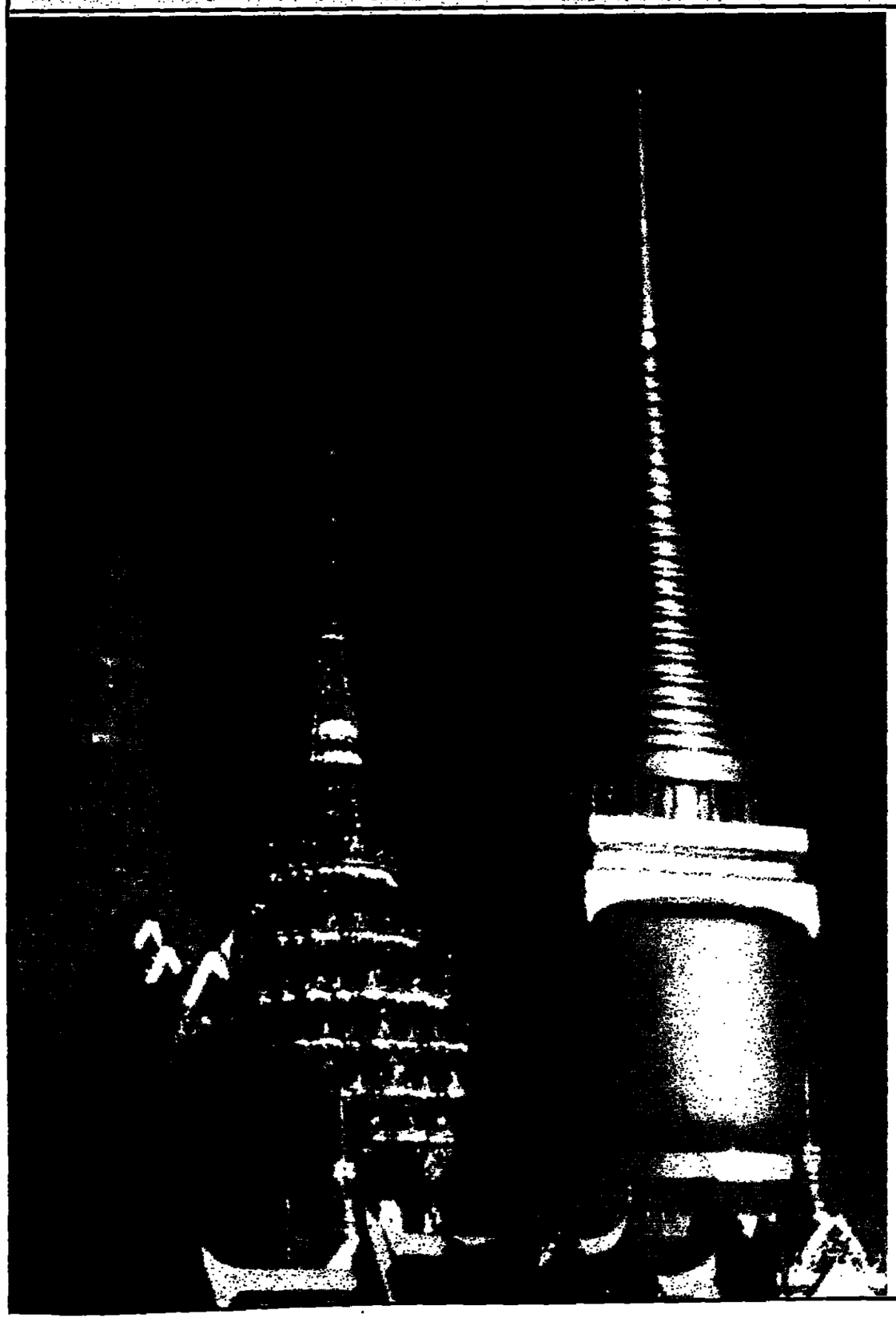
Investors can now undertake varying levels of production, producing primary, labor-intensive products in one country and sophisticated goods requiring skilled labor in another. Nissan and Mitsubishi, for example, plan to source tires in Indonesia and engines in Thailand, and then assemble them in Malaysia.

With Singapore's more sophisticated economy, its highly developed facilities and human resources permit high-quality production on a par with Western countries but at reduced costs and often at higher levels of efficiency.

NIC status places greater marketing demands on emerging economies. "The NICs of East Asia had easy access to U.S. markets," says Merrill Lynch Singapore's Sanjoy Chowdhury. "The Southeast Asian nations do not, so they must compete harder and must locate or create new markets."

This is the challenge of the 1990s, during which investor expertise and access to markets will help determine how quickly developing countries attain NIC status.

S.V.B.



WITH ONE OF THE WORLD'S FASTEST GROWING ECONOMIES OUR FUTURE IS GOLDEN, TOO.

While most of the world wrestles with recession, Thailand's economy is booming.

It is enjoying a period of unparalleled prosperity, with one of the fastest growing economies in the world.

This boom period is export-led and investment driven, attracting leading foreign investors, particularly those looking to relocate their production bases in preference to Japan, Taiwan and South Korea.

Incentives like tax-free periods make it enormously attractive to them.

Tourists, too, are being attracted in ever increasing numbers, contributing a total of US$3,855m to the economy in 1989.

Thailand is exceptional in the diversity of interests it offers tourists, and so is unlikely to fall out of fashion after several years, as usually happens with destinations enjoying such popularity.

Thailand's growth is mirrored by its airline, Thai Airways International.

In 1989 it was the fastest growing airline in the world, and it continues to grow rapidly.

This success has prompted Thai Airways International to seek privatisation through listing on the Stock Market later this year, and it is predicted it will be one of Thailand's most sought after stocks.

As you can see Thailand's economic prospects have never looked more attractive.

No wonder it's known as the Land of Smiles.

Thai

MMGBH/THA1207

SIME DARBY

A Driving Force in a Thriving Region

At the beginning of the Twentieth Century, American President Theodore Roosevelt expressed the view that 'the Mediterranean is the ocean of the past. The Atlantic is the ocean of the present, and the Pacific will be the ocean of the future'.

The future has indeed arrived.

Four countries in the Pacific Region – South Korea, Taiwan, Hong Kong and Singapore – despite being resource-poor, have breathed so much fire on the economic front that they were named the Four Little Dragons or, in economic terminology, Newly Industrialised Economies.

More recently, the three resource-rich countries of the Association of Southeast Asian Nations (ASEAN), Thailand, Indonesia and Malaysia, have been gaining increased momentum in their determined drive from farm to factory and beyond. In fact, they have already begun to be referred to as the Asean Tigers.

Malaysia Booms with 10% GDP

Malaysia, as one of the Asean Tigers, posted a remarkable 10 per cent growth in 1990. As the Gulf crisis has shown, Malaysia's economy is probably more robust than any other in Asia. Not only is it resource-rich, but its wide-ranging programme of economic diversification has also begun to have an impact. Commodities today account for less than 29 per cent of Gross Domestic Product while, at the same time, manufacturing has expanded significantly to more than 27 per cent.

Malaysia continues to attract foreign investors because of its ample natural resources, political stability, strong infrastructure, quality of its workforce, and investment incentives, including tax holidays. The nation's leadership has also announced Vision 2020, a national endeavour to make Malaysia a fully developed country by the year 2020.

Sime Darby Reflects the Dynamic Progress of the Region

In 1910, just about the time that President Roosevelt was making his bold prediction, Scottish adventurer William Middleton Sime and English banker Henry Darby put their names together to form a plantations company called Sime Darby.

Today, Sime Darby is Malaysia's number one corporation, with widely diversified businesses and market capitalisation of over US$2 billion. It is also the largest multinational in Southeast Asia.

In the past two decades, the company has undergone a structural transformation, having successfully developed four other core businesses beyond plantations. These include manufacturing; heavy equipment and motor vehicle distribution; property development; and insurance. A sixth core business being expanded rapidly is oil and gas because of Malaysia's rich resources in this area.

Regional Operations Ensure Strong Local Knowledge and Connections

Sime Darby business activities are grouped to fit the nature of its diverse operations and broad geographic markets. The Group today comprises companies in 12 countries in Europe, the United States and Asia Pacific. To support its extensive trading and manufacturing interests in Asia, the Group has regional operations in Hong Kong, the Philippines, Australia, Indonesia, Brunei, Thailand and Singapore as well as Malaysia.

Regional operations include diverse businesses, from natural resources to mass consumer products to commercial and industrial equipment and systems.

In Hong Kong, Sime Darby markets a range of motor vehicles – including BMW, Ford, Suzuki, Alfa Romeo and Mitsubishi cars – and commercial vehicles. It is also involved in heavy equipment, engineering, property, insurance, finance and shipping activities.

The Singapore operations include the marketing of BMW and Ford cars, Land Rover vehicles, heavy equipment, manufacture of packaging materials and marketing of a wide range of consumer goods, as well as property management and consumer services such as travel and car rental.

Sime Darby also manufactures Sime Darby branded tyres with BF Goodrich as the technical partner in the Philippines, and distributes Suzuki vehicles and motorcycles, manufactures furniture and assembles bicycles in Australia.

The Group has a packaging manufacturing operation and owns and manages a commercial estate in Indonesia. In Thailand, Sime Darby has a significant investment in insurance underwriting and owns and manages an insurance broking company.

Sime Darby Malaysia Region produces a wide range of high quality products for the domestic and export markets, and has agency lines in consumer products, electronic equipment, computers and engineering products. It also offers services covering travel, securities, car rental and computers.

The goal is to continue to strengthen the Group's presence in Southeast Asia and other Pacific Rim countries which offer opportunities for investment and expansion.

Diversification Strengthens the Group

In the area of manufacturing, Sime businesses manufacture and market a broad range of automotive, earthmover and aviation tyres. This division is Malaysia's largest tyre producer and the largest exporter of tyres in Southeast Asia. The aircraft tyre division has contracts with major airlines in the region. Earthmover tyres are exported to Europe, the Middle East and Asian countries.

The automotive tyre division has invested in state-of-the-art precision equipment to make Sime's technology among the most advanced in the world. The investment and Sime's affiliation with technical partner Sumitomo Rubber Industries of Japan allow the group to produce high-performance VR and ZR speed-rated tyres for today's supercars.

The distribution of heavy equipment and motor vehicle assembly are handled by Sime Darby subsidiary, Tractors Malaysia. The heavy equipment division distributes and provides product support for the complete range of Caterpillar heavy equipment, engines and lift trucks and a comprehensive range of agricultural, road construction and quarrying equipment. The motor division assembles and distributes Ford, BMW and Land Rover vehicles as well as Scania trucks and commercial vehicles.

The company also assembles Mazda passenger cars and Suzuki 4-wheel drive vehicles under contract.

Sime UEP provides the base of the Group's property development operation. The subsidiary has developed Southeast Asia's largest township built by a single developer and is in the process of building industrial estates for modern warehousing and light industry.

Insurance services provided by the Group comprise general and life insurance, health and medical insurance, and both insurance and reinsurance broking.

Plantations traditionally provided the foundation of the Sime Darby Group. Today, the organisation has 200,000 acres of prime tropical agricultural land under

oil palm, rubber and cocoa. The Group has also moved into downstream activities, such as the refining and packaging of vegetable oils and specialty fats, and the manufacture of dipped latex products including examination gloves and condoms.

The Group has seen significant growth in its newest area of diversification, the oil and natural gas industry, through the development of exploration, design and fabrication capabilities. Major contracts for Shell, Esso and Petronas, Malaysia's national oil company, have included fabricated offshore production platforms and jackets for Malaysian oil production. Sime Darby has fabricated and delivered a jacket to the Qatar North Field Development Project in the Arabian Gulf and is in a strong position to pursue opportunities in other overseas markets.

Hands-on From Dunlop Tyres to BMWs

The Group's high standards for quality, efficiency and integrity have led to joint venture arrangements and other business affiliations with organisations in Europe and North America. Its strong connections and presence in the region, coupled with a proven track record in finance, management and marketing, make it attractive as a business partner.

A broad range of globally-recognised names have joined forces with the Group in the region. Of these, a number have

taken advantage of Sime's knowledge of the region and extensive network. In addition to BMW, Land Rover, and Ford partnerships for the assembly, distribution and product support of their vehicles, the Group designs, manufactures, markets and distributes Chubb security equipment for banks and financial institutions as well as for the commercial and household sectors. Tractors Malaysia is one of the top 10 Caterpillar dealerships in sales and customer support in the world.

In a 50-50 joint-venture with the Michelin Aircraft Tyre Corporation, the Group manufactures high quality aircraft tyres for major airlines in Singapore, Indonesia, Australia, Pakistan and Malaysia. Michelin Sime Aircraft Tyre Company was the first company in the world to retread tyres for Boeing 747-400 aircraft.

Other international business partners include Berger Paints with whom Sime has a technical agreement to manufacture and distribute paint; Rengo, Japan's leading packaging company; and the Inax Corporation of Japan which has a joint venture manufacturing arrangement with Sime Darby to produce sanitaryware exported to the buoyant markets of Japan, Singapore and Korea. A Sime Darby-Hyundai joint venture company manufactures furniture for export markets around the world.

A Letter from the Group Chief Executive

I hope we have succeeded in giving you a tour de horizon of Asia Pacific, Malaysia and Sime Darby. We believe it is a glowing picture, because the underlying fundamentals have always been strong.

What is the Secret of Sime Darby's Success?

The Sime Darby Group has greatly benefitted from the growth and development of the Asia Pacific region, which is not really surprising since we pride ourselves on being the Regional Multinational. That, of course, is not the only reason for the Sime Darby Group's success in recent years, and here I must give credit to the management staff for their professionalism in both planning and execution. We provide our staff with the best in terms of management training and give our executives the responsibility and the opportunity to show their worth, but we are extremely demanding in our standards and so far we have not been disappointed in the response.

I must confess we are inclined to be conservative in our management approach, and whilst some may see this as a weakness, we believe in the trustee relationship and in looking after shareholders' funds. The Sime Darby Group profits are real, genuine, cash-in-the-bank profits as reflected in our balance sheet strength. We are not about to change our ways, though we may start to become more acquisitive as value for money opportunities present themselves.

Sime Darby is a regional Group, and we would like to continue to build up our regional presence and strength still further in new business ventures with new partners who have the technology and the resources to match our demanding standards. If you have either the intention or the desire to move into this region, I cannot believe you will find a better business partner than Sime Darby.

What is Sime Darby's Long-Term Strategy?

Increased manufacturing is an aspiration for Malaysia and the other regional countries. In this respect, as the regional multinational, we would like to realise this aspiration but, equally importantly, we are concerned to see that any business venture we enter into is a viable long-term project.

For the future, we will also be increasing our efforts in seeking exports in overseas markets. Examples of Japan, Korea and Taiwan are there to remind us that exported growth is a powerful route to rapid economic expansion, and Malaysia has made a commitment to reach developed country standards by the year 2020.

Small countries like Malaysia can move towards achieving such a watershed for its people by specialising and developing an expertise in certain niche areas of manufacture or with certain specific products.

Just as many people have been amazed by our capacity to achieve the success we enjoy today – as a company, as a country and as a region – there will be many who will be surprised by our progress in the future. Sime Darby believes in open, free international trade which will provide the opportunity and the incentive for world peace, progress and prosperity. The way forward is clear, and I am confident that the opportunities in Asia Pacific are virtually limitless.

Sincerely yours,

Tunku Ahmad Yahaya

For further enquiries, please contact: The Communications Department, **Sime Darby Berhad**, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia. Telefax: 03-298 7398, Telex: SDMAL MA 30038

Welcome to Asiana
Fly Tomorrow

FLY ASIANA TO SEOUL
BANGKOK 260-7700
SINGAPORE 225-3866
HONGKONG 523 8585
TAIPEI 508 1114
TOKYO 5472 6600
LOS ANGELES 365 2000

INTERNATIONAL MANAGER

Can Pay Incentives Help Workers Watch Health?

By Claudia H. Deutsch
New York Times Service

NEW YORK — At Mesa LP, T. Boone Pickens's Dallas oil company, employees who take no sick days, file no medical claims, clock in at a decent weight, blood pressure and cholesterol level and exercise at least 13 times a month can make up to $354 extra a year.

"Boone understands money as a motivator, and he'd rather motivate people to be healthy than sick," said John A. Durkin, Mesa's fitness manager.

Atco Properties & Management Inc. pays $500 to employees who climb 16 flights to their Manhattan real estate offices every day for a year, and Atco takes their word for it. Fat workers get $10 for every pound they lose ($100 a pound for senior staff), and smokers who quit get $500. "I may up the ante to a Caribbean vacation to get our last two smokers to stop," said H. Dale Hemmerdinger, Atco's president.

The landscape is dotted with fat, stressed-out smokers with clogged arteries.

For some time now U.S. companies have been paying for weight-loss programs, stress-management seminars and other so-called "wellness programs" for their employees. Yet the corporate landscape remains dotted with overweight, stressed-out smokers with cholesterol-choked arteries.

"Without incentives for life-style changes, employees gain the weight back or start smoking again," said Jesse Bernstein, president of Employee Assistance Associates Inc., a consulting firm in Ann Arbor, Michigan.

Slowly, employers are catching on to that fact. A recent study by the Philadelphia consulting firm Hay/Huggins shows that a small but growing number of companies are "making it financially worthwhile for employees to stay well," said Michael Carter, a Hay/Huggins senior vice president.

MANY COMPANIES, including the Bank of Delaware and U-Haul International Inc., shave the cost of insurance or deductibles for employees who exercise, quit smoking and the like.

Others, including Johnson & Johnson and Baker Hughes Inc., will provide a better benefits package for employees who demonstrate healthy habits. Still others, including Adolph Coors Co. and Control Data Corp., pay $10,000 more in death benefits if an employee killed in a car accident was wearing a seat belt.

Such programs are new, so no one has calculated their cost or quantified their impact. But incentives rarely amount to more than a few hundred dollars per employee, and that sum can be easily recouped if absenteeism and medical claims are reduced.

Companies vary widely in what they will reward. Some reward the process — say, exercising. Others hold out for results, like weight loss. Still others only give bonuses to employees who have reached, for example, an ideal weight or cholesterol count.

Johnson & Johnson and Blue Cross and Blue Shield of Michigan are in the process camp. Johnson & Johnson's employees can rack up "Live for Life" dollars, play money that is exchangeable for such items as socks or sweatshirts, for exercising a set amount.

The New Brunswick, New Jersey, company once offered five Live for Life dollars, worth about 50 cents in real terms, to employees who had their blood pressure checked.

Employees in Blue Cross's walking club get a water bottle after they have clocked 35 miles; 100 miles gets a towel, 500 miles a fanny pack, and so on, until the grand prize of a jacket, for 1,000 miles. Every additional 100 miles yields a bar for the jacket.

"Walking is easy, it's safe, so why not give them a little incentive to get into the habit?" asked Dorothy I. Kellerman, who coordinates the employee wellness programs.

The answer, say proponents of pay-for-results, is that habits can be broken and are almost impossible to monitor.

CURRENCY RATES

Cross Rates

Sept. 25

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8965	3.2865	1.1271	0.3308	0.1508 *	—	5.4495 *	1.2932	1.4222 *	1.6778	1.7857 *
Brussels	34.585	60.005	20.61	6.0465	2.751 *	18.291	—	23.475	0.2596	30.4835	32.595 *
Frankfurt	1.6788	2.916	—	0.2935	0.1338 *	0.8872	4.852 *	1.1409	1.2685 *	1.477	1.585 *
London (a)	1.7265	—	2.9143	9.9291	2,183.50	3.2855	60.04	2.5394	231.24	1.9644	183.81
Madrid	106.833	184.315	63.135	18.527	8.444 *	56.814	3.0654	72.47	79.615 *	93.47	—
Milan	1,254.65	2,180.55	747.80	219.43	—	663.41	36.383	857.36	9.427	1,106.70	11.845
New York (b)	—	1.7355 a	1.681	5.7275	1,257.80	1.8938	34.625	1.4645	133.20	1.1348	106.85
Paris	5.716	9.84	3.4078	—	0.4559 *	3.0335	0.1654	3.91	4.2949 *	5.0405	5.3965 *
Tokyo	133.40	231.85	79.17	23.34	0.106	70.25	3.8435	91.08	—	117.49	1.2546
Toronto	1.1345	1.9677	0.6745	0.1979	0.903 *	0.5983	3.275 *	0.7744	0.8516 *	—	1.089 *
Zurich	1.4665	2.5402	0.8713	0.2557	0.1165 *	0.7735	4.2309 *	—	1.0994 *	1.2918	1.3813 *
1 ECU	1.2196	0.702	2.0481	6.9794	1,531.25	2.3085	42.2716	1.7843	162.419	1.3834	129.389
1 SDR	1.3617	0.7859	2.2859	7.7802	1,708.39	2.5773	47.3697	1.9914	181.508	1.5408	144.366

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9905.0	Greek drac.	186.85	Mex. peso	3058.48	S. Afr. rand	2.8195
Austral. $	1.2523	Hong Kong $	7.7505	N. Zealand $	1.7123	Soviet ruble*	0.5848
Austr. schil.	11.81	Indian rupee	25.91	Norw. krone	6.567	Swed. krona	6.121
Brazil cruz.	446.70	Indo. rupiah	1969.47	Phil. peso	26.25	Taiwan $	26.36
Chinese yuan*	5.3765	Irish £	0.6283	Port. escudo	144.60	Thai baht	25.56
Danish krone	6.4775	Israeli shek.	2.4768	Saudi riyal	3.75	Turkish lira	4610.21
Egypt. pound	3.3078	Kuwaiti dinar	0.2879	Sing. $	1.695	UAE dirham	3.672
Fin. markka	4.093	Malay. ring.	2.743	S. Kor. won	740.50	Venez. boliv.	59.28

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7300	1.7233	1.7171	Canadian dollar	1.1374	1.1399	1.1426
Deutsche mark	1.6838	1.6890	1.6942	Japanese yen	133.29	133.39	133.49
Swiss franc	1.4642	1.4675	1.4705				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Sept. 25

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 3/8-5 1/2	9 1/16-9 3/16	8 1/16-8 3/16	10 3/16-10 5/16	9 1/2-9 5/8	6 7/8-7	9 11/16-9 13/16	7 1/8
2 months	5 3/8-5 1/2	9 1/16-9 3/16	8 1/8-8 1/4	10 3/16-10 5/16	9 7/16-9 9/16	6 1/2-6 5/8	9 11/16-9 13/16	7 1/8
3 months	5 3/8-5 1/2	9 1/8-9 1/4	8-8 1/8	10 1/4-10 3/8	9 1/4-9 3/8	6 3/8-6 1/2	9 11/16-9 13/16	7 1/8
6 months	5 7/16-5 9/16	9 1/8-9 1/4	8-8 1/8	10-10 1/8	9 3/8-9 1/2	6 1/8-6 1/4	9 11/16-9 13/16	7 1/16
1 year	5 1/2-5 5/8	9 3/16-9 5/16	7 7/8-8	9 15/16-10 1/16	9 3/8-9 1/2	5 15/16-6 1/16	9 11/16-9 13/16	7 1/4

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Sept. 25

United States	Close	Prev.
Discount rate	5.00	5.00
Prime rate	8.00	8.00
Federal funds	5 1/4	5 3/16
Com. paper 30-179 days	5 1/2	5 1/2
3-month Treasury bills	5.15	5.17
6-month Treasury bills	5.20	5.21
1-year Treasury bills	5.20	5.20
30-year Treasury bond	7.90	7.88
1-month CD's	5.10	5.10
3-month CD's	5.10	5.15
Japan		
Discount rate	5 1/2	5 1/2
Call money	6 27/32	6 27/32
1-month interbank	6 3/4	6 9/16
3-month interbank	6 23/32	6 3/4
Germany		
Discount rate	7 1/2	7 1/2
Lombard rate	9 1/4	9 1/4
Call money	9.05	9.00
1-month interbank	9.10	9.10
3-month interbank	9.20	9.20
6-month interbank	9.35	9.35
Britain		
Bank base rate	11.00	11.00
Call money	10 11/16	10 11/16
3-month interbank	10 11/32	10 5/16
6-month interbank	10 3/16	10 3/16
France		
Intervention rate	9.00	9.00
Call money	9 1/4	9 3/16
1-month interbank	9 3/16	9 3/16
3-month interbank	9 5/16	9 5/16
6-month interbank	9 3/8	9 3/8

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

Sept. 25

1 month	5 1/2 - 5 5/8
2 months	5 7/16 - 5 9/16
3 months	5 7/16 - 5 9/16
6 months	5 5/8 - 5 3/4
1 year	5 3/4 - 5 7/8

Source: Reuters.

U.S. Money Market Funds

Sept. 25

Merrill Lynch Ready Assets
30-day average yield: 5.30
Telerate Interest Rate Index: 5.393
Source: Merrill Lynch, Telerate.

GOLD

Sept. 25

	A.M.	P.M.	Ch'ge
Hong Kong	354.15	352.95	+ 1.80
Luxembourg	352.95	—	+ 1.80
Paris (12.5 kilo)	353.52	353.69	+ 2.93
Zurich	352.75	353.05	+ 1.00
London	352.40	352.75	+ 0.85
New York	—	352.65	− 1.10

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Air France Plans Big Job Cuts

Carrier Targets Profit in 1993

By Barry James
International Herald Tribune

PARIS — Air France announced Wednesday a major belt-tightening and job-cutting plan aimed at achieving profitability in 1993 and preparing the carrier to face heightened competition from U.S. and Asian airlines.

The plan, presented to the board by Bernard Attali, the company's president, would cut 3,000 jobs and would merge Union des Transports Aériens, the African and Pacific route subsidiary, entirely into Air France. Air France bought into UTA, France's second international airline, in 1990.

UTA flights would be operated under the Air France flag as a means of making more rational use of the joint fleets, Air France said.

At the same time, the domestic carrier Air Inter, which Air France acquired along with UTA, will be responsible for some medium-range international routes.

The plan calls for the elimination of 3,000 jobs out of more than 38,000 for Air France and 8,400 for UTA. A new management structure will be put progressively into effect from January, with the merging of the two airlines to be completed by the beginning of 1993.

Air France, the world's third-largest carrier, is almost entirely owned by the state. It posted a loss of 717 million francs ($125 million) in 1990 on sales of 56.8 billion francs, and the losses have continued at a heavy rate into this year. The Air France restructuring is intended to reduce annual costs by 1.5 billion francs.

The airline is engaged in a 39 billion franc modernization plan that calls for the acquisition of 66 new aircraft. At the same time, it was reported close to a major investment in the Belgian national carrier, Sabena.

The upsurge of reorganization and acquisitions among European airlines is intended to help them cope with intensified competition expected to follow the creation of the European single market in 1993 and increasing challenges from American and Asian airlines.

Air France said the merging of its and UTA's routes not only would make more aircraft available, but would improve revenue as a result of listing flights under a single name in computer-reservation systems.

■ Iberia Delays New Planes

Spain's state-owned airline, Iberia, said Wednesday it had negotiated a delay of up to two years on deliveries of 78 aircraft in a fleet-renewal program that had been slowed by a slump in revenue brought on by the Gulf war, Reuters reported in Madrid.

Iberia's 400 billion peseta ($3.79 billion) investment in new aircraft from McDonnell Douglas, Boeing and Airbus Industrie was originally to be completed between 1989 and 1994.

Growing Foreign Participation Fails To Loosen Mexico's Grip on Its Oil

By Tim Golden
New York Times Service

MEXICO CITY — The transformation of the Mexican economy has filled a graveyard with old myths: the inviolable power of big labor unions, the need for trade protection, the importance of state ownership. The lone survivor would seem to be the sanctity of oil.

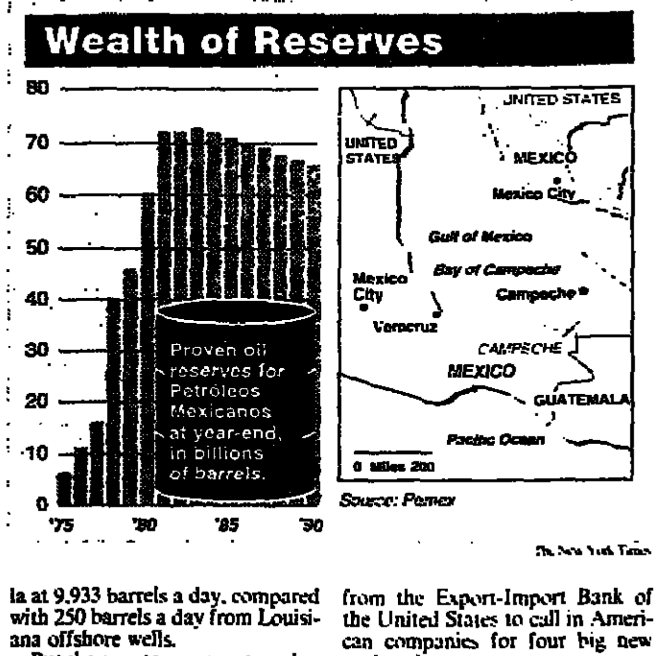
Mexican officials still speak in almost mystical terms about the relationship between oil and sovereignty. And in free-trade talks with the United States, Mexico has done its best to keep the issue of foreign involvement in its oil production off the table.

Little wonder that to most outside analysts, Petróleos Mexicanos SA, Mexico's biggest company, remains one of its most insular — and least efficient.

The Mexican constitution defines the nation's hydrocarbon resources as the property of the people. And, in an interview last month, President Carlos Salinas de Gortari said that Mexico had no intention of inviting foreign exploration companies to share the profits from its oil.

The strongest, and apparently prevailing, arguments against foreign equity partnerships is the relative lack of risk in so-called risk contracts. So confident are Mexican officials in the richness of their oil fields that they see little reason to bring in outsiders to share the risk of exploration.

According to a recent issue of International Petroleum Finance, Mexican data show average production per well in the Bay of Campeche west of the Yucatan Peninsula at 9,933 barrels a day, compared with 250 barrels a day from Louisiana offshore wells.



Source: Pemex

The New York Times

But the counterarguments go beyond Mexico's need for drilling money. Pemex, as the giant state monopoly is known, requires deep-water exploration technology, say the analysts, and huge investments in its refineries.

So, while continuing to loom as a nationalist symbol, Pemex has begun to change and open up.

Driven to expand production by an economy that is projected to grow as much as 4 percent a year through the rest of the decade, Pemex is gathering investment dollars by the billions. Last week, it secured a $1.3 billion loan guarantee from the Export-Import Bank of the United States to call in American companies for four big new exploration projects.

Meanwhile, Pemex is trying to impose order on the chaotic organization of its various businesses.

As recently as a few years ago, Pemex seemed to be as much a social-service agency as an oil company. It ran hospitals and schools, and handed over more revenue to the Treasury than all corporate and individual taxpayers combined.

From the few cases that came to light, though, corruption appeared to be rampant. And the oil workers' union, which maintained a stran-

See OIL, Page 11

EC Pushes Tax To Discourage Coal and Oil Use

By Charles Goldsmith
International Herald Tribune

BRUSSELS — The European Community executive, seeking to limit carbon-dioxide emissions linked to global warming, recommended Wednesday that member states adopt a new energy tax equal to $10 per barrel of oil.

The proposal promises to touch off one of the most heated EC debates in years, over whether the Community should commit itself to such a costly step in defense of the environment ahead of its trading partners and competitors.

Several EC industry groups have attacked the idea of a unilateral Community tax, and some less-developed member states are also concerned about being put at a competitive worldwide disadvantage, but the EC's top environment official said somebody had to start.

The plan would place the highest penalty on carbon-based fuels such as coal, because they are the heaviest contributors to carbon-dioxide pollution.

The EC Commission's communication to national governments fell short of a formal legislative proposal requiring a vote at this stage. Rather, the EC Council of Ministers will first have a wide-ranging discussion on the Commission's recommendations, which feature an energy tax at the forefront of a package of measures to limit carbon-dioxide emissions.

The final decision on whether to introduce the tax rests with the 12 EC governments, which must approve it unanimously.

Other broadly suggested steps include new automobile speed limits, enhanced efficiency of household appliances and stricter rules on building insulation.

"At this stage we are more involved in defining the principles than the details," said Carlo Ripa di Meana, the EC environment commissioner.

The fine print unveiled at this point calls for a tax equivalent to $3 per barrel of oil in 1993, increasing by $1 a year to total $10 per barrel in the year 2000. Crude oil now costs about $20 per barrel.

Half the tax would be a general energy tax, with the other half tied to a fuel's carbon content. For example, a $10 per barrel oil tax would correspond to a $14 tax on coal and a $5 tax on nuclear and hydroelectric power, based on an equivalent amount of energy produced by the respective sources.

In the year 2000, when the tax is fully in place, it would lead to a gasoline price increase of only 6 percent, but a 61 percent rise in coal prices to industry, Mr. Ripa said.

The Commission says the tax, to be collected by national governments, would be "fiscally neutral," in that member states would reduce other industry levies. Six energy-intensive industries — steel, chemicals, glass, paper, cement and nonferrous metals — would receive some "special treatment" under the new tax.

Studies conducted by the Commission forecast that the tax would lower economic growth by 0.05 percent to 0.1 percent per year, and boost annual inflation by 0.3 percent to 0.5 percent. Industry groups condemn those projections as ludicrously low.

Germany, Denmark and the Netherlands are expected to be most receptive to the tax recommendation, while officials said the EC's poorer nations would be most resistant.

"An energy tax would be a hindrance to us in bridging the gap between our economy and that of other nations in the world," said a diplomat from one of the EC's less-developed countries. Industry spokesmen have warned of a possible flight of manufacturers from the Community if the United States and Japan did not impose similar taxes.

Even some environmentalists are less-than-enamored of the Commission proposal. Some say a general energy tax departs from the Community's "polluter-pays" principle, because hydroelectric energy would be taxed even though it does not contribute to carbon-dioxide emissions.

The Community contributes 13 percent of worldwide carbon-dioxide emissions, compared to 23 percent for the United States and 5 percent for Japan. The emissions have been linked to atmospheric warming known as the greenhouse effect.

Moscow Warns of More Borrowing

Compiled by Our Staff From Dispatches

HELSINKI — The Soviet Union now owes Western creditors $68 billion and may borrow still more while it sorts out its economic problems, the president of the Soviet central bank, Viktor Gerashchenko, said Wednesday.

He said the country could handle $10 billion to $15 billion more indebtedness without creating a situation "in which we could not service the interest rates."

Mr. Gerashchenko said that during the past 18 months, Soviet bankers had "fulfilled all our obligations." But he indicated problems lay ahead. He said that with the "quite huge and quick decentralization" of the Soviet economy "without a proper control of the system, definitely we could have some difficulties."

In Moscow, Germany's finance minister, Theo Waigel, said that most Soviet republics would sign an economic treaty with the Kremlin within two weeks.

Mr. Waigel said Moscow would remain responsible for paying off the country's debt under the accord, although the republics would contribute their share.

He spoke after meeting with Ivan Silayev, who is heading talks on the planned treaty between the Kremlin and the republics.

Earlier this year, Soviet officials acknowledged a foreign debt of $60 billion and predicted it could increase to $70 billion by the end of 1991. Mr. Gerashchenko said Wednesday that the Soviet external debt included $3 billion of delayed payments by Soviet importers to Western exporters.

Another $4 billion has been directly borrowed from Western banks but is secured by mortgages, Mr. Gerashchenko said.

He also said Estonia and Lithuania could have their own currencies as early as next year. But he added that they understood that having their own currencies would not solve the economic problems that exist. *(AP, Reuters)*

U.S. to Sweeten Soviet Loan Guarantees

New York Times Service

WASHINGTON — The Bush administration is changing loan guarantees for the Soviet Union to make them more attractive to commercial banks, according to Agriculture Secretary Edward R. Madigan.

In response to an urgent request from the Soviet authorities, President George Bush made $315 million in loan guarantees immediately available in late August. But the Soviets have only been able to obtain loans with $104 million of the guarantees, using the credit lines set up before the unsuccessful coup in the Soviet Union last month.

Bankers have been concerned that they would never recover the unguaranteed portion of any new loans if the Soviet Union rescheduled its debt or if the union disintegrated.

Until now, the loan guarantees have covered 98 percent of the principal and the first 4.5 percentage points of interest.

Mr. Madigan said Tuesday that he had increased the guarantees on the remaining $211 million to 100 percent of principal and interest equal to the prevailing rate for 52-week Treasury bills.

That interest rate is currently 5.2 percent.

Bonn Says French Move On Meat Breaks EC Law

Agence France-Presse

BONN — French customs checks on imported meat are in breach of EC law and must cease immediately, Germany's agriculture minister, Ignaz Kiechle, said on Wednesday.

The EC Commission had told France to lift the controls within five days, he noted.

Attacking the new French measures, seen here as a pretext to protect French farmers who blame imported meat for low prices, Mr. Kiechle said the real problem was that EC farmers were producing more beef than consumers wanted.

The French budget minister, Michel Charasse, last week responded to protests by French farmers by ordering customs controls of all imported meat in order to reject meat containing illegal hormones.

Soviet Savings Bank Takes Stake In Trade and Finance Joint Venture

By Richard E. Smith
International Herald Tribune

FRANKFURT — The Soviet Union's chief savings bank has bought a stake in Eurasco, a German-Swiss-Soviet joint venture in trade and financing, and one day might provide outlets for selling Western insurance policies to Soviet citizens.

"Insurance is still in the hands of a monopoly at the moment, but various republics could set up their own systems in coming months and we may one day be able to market Western policies," said Holger Bahl, chairman of Eurasco, in an interview.

Eurasco, a Zurich-based venture owned by seven Soviet and three Western partners, has long been on the cutting edge of East-West trade but has gone into high gear recently to try to keep a foothold in the rapidly shifting sands of Soviet financial life.

With the outlook for the Soviet banking system and even the ruble clouded by uncertainties, Mr. Bahl sees a need for new financial instruments that might foster security, such as insurance and leasing.

Since heavyweights such as Colonia Versicherung AG of Germany, Zürich Insurance Co. of Switzerland and the Ingostrakh insurance group of the Soviet Union all have ties or stakes in Eurasco, the firm sees itself well placed to pioneer new products and arrangements.

"There is a strong need for insurance in the Soviet Union," he said.

On Wednesday, Eurasco said that the Savings Bank of the Soviet Union had assumed a stake of 2 million Swiss francs ($1.4 million) in Eurasco.

The venture has total nominal capital of 70 million francs.

The savings-bank networks in each of the 15 Soviet republics had to approve before the central unit in Moscow could proceed with the investment in Eurasco.

The savings-bank system is especially attractive to Eurasco because it may have the most extensive banking-branch network in the Soviet Union with some 80,000 units spanning all regions. Such a network could give maximum exposure for sales of insurance and leasing products.

Mr. Bahl said that another deal was pending in which Eurasco might make its first investment in a Soviet bank by buying a stake in the Moscow-based Agricultural-Industrial Bank. He said the deal could take place as soon as next month and would entail a "substantial" stake in the bank.

He said Eurasco could use this bank, one of the major institutions in the Russian Republic, as another base for future business.

Eurasco, founded four years ago, was active last year in syndicated loans but its focus has shifted this year to barter trade because the uncertainties in the financial system had forced the country to revert to simpler forms of business, Mr. Bahl said.

Metallgesellschaft AG, the German metals processor and trader, holds the largest single stake of 28 percent in Eurasco, while the other Western partners are Landesbank Rheinland-Pfalz-Girozentrale of Germany and IK Industriekredit of Switzerland.

■ Deutsche Bank Looks East

Germany's leading bank, Deutsche Bank AG, plans to take a majority stake in a number of companies being privatized in former East Germany, Agence France-Presse reported from Berlin.

"Our aim is to restore to health and restructure these enterprises and then when the time comes to shed these acquisitions, if necessary through stock-market listings," said Herbert Zapp, a Deutsche Bank board member, at a press conference.

Mr. Zapp said that there was no need to fear that Deutsche Bank would gobble up the tastiest morsels in Eastern Germany. "The most attractive enterprises have already been sold," he said.

Deutsche Bank would aim at shedding the majority stakes "as soon as possible" and had no intention to build up its industrial interests. It is the largest shareholder in the biggest German industrial group, Daimler-Benz AG.

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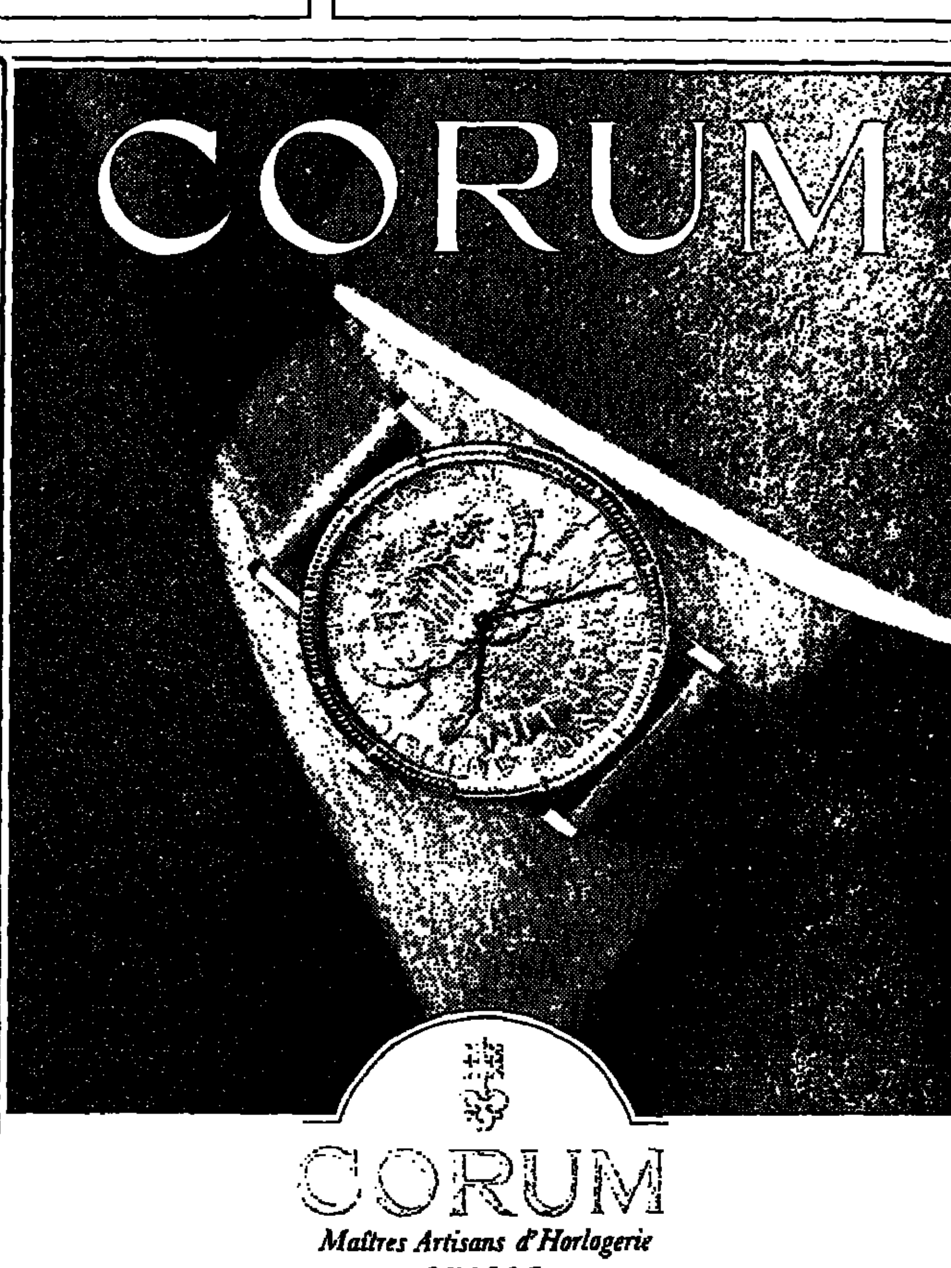

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MARKET DIARY

Trendless Trading Brings General Fall

United Press International

NEW YORK — Stock prices closed lower in quiet trading Wednesday, giving up modest opening gains that followed the previous session's computer-driven surge.

The Dow Jones industrial average, which jumped 18.56 points Tuesday, gave back 8.05 to 3,021.02.

The broader-based New York Stock Exchange Composite Index of all listed common shares was off 0.37 to 212.53, while Standard & Poor's 500-stock index was down 1.18 to 386.53.

Declines topped advances by a 4-to-3 margin. Volume amounted to about 153.8 million shares, compared with 170.3 million traded in the same period Tuesday.

Ron Doran, director of institutional trading at C.L. King & Associates in Albany, New York, said the market opened firm on follow-through program buying and also got an initial boost from the U.S. durable-goods orders report Wednesday morning.

The Commerce Department reported new factory orders for durable goods in the United States fell a seasonally adjusted 3.8 percent in August from the preceding month. Forecasters had expected the report to show a 4.8 percent fall in August, so the lower figure was regarded as good news.

Upjohn paced the Big Board actives, jumping 2¾ to 47 on takeover rumors. AT&T was next, easing ¼ to 38. PepsiCo was third, falling ⅜ to 28½.

Among other blue chips, American Express eased ⅜ to 25¾. Philip Morris shed ⅜ to 71⅝, IBM fell ⅞ to 105 and General Motors was unchanged at 37.

N.Y. Stocks

Dollar Eases Slightly In Cautious Trading

Reuters

NEW YORK — The dollar eased Wednesday in quiet trading, with technical factors continuing to dominate the market as dealers awaited fresh fundamental news.

"Not very much happened," said David Gilmore, senior analyst at MCM Currencywatch. "Sentiment is still bearish. But the fact that the dollar can't make fresh lows is creating a cautious environment."

The dollar was unable to break decisively through support at 1.6770 Deutsche marks or resistance at 1.6850 DM.

The dollar closed at 1.6810 DM and 133.20 yen, down from 1.6872 DM and 133.50 yen at the close Tuesday.

The dollar also closed Wednesday at 1.4645 Swiss francs and 5.7275 French francs, down from 1.4675 and 5.7495 on Tuesday. The British pound closed at $1.7355, up from $1.7270.

The market's bearish psychology toward the dollar stems from the weakness of the U.S. economic recovery and U.S. interest rates. So traders are reluctant to buy dollars.

The dollar received a slight boost at the opening of New York trading from news that U.S. durable-goods orders fell less in August than expected. Durable-goods orders dropped 3.8 percent last month, compared with a rise of 11.7 percent in July and forecasts of a 5.4 percent decline.

Traders are unlikely to establish substantial positions until the Oct. 4 release of U.S. September employment figures, dealers said.

In London, the dollar closed Wednesday at 1.6790 DM and 133.1 yen, up from 1.6685 DM and 132.85 yen at Tuesday's close. The U.S. currency also ended at 1.4635 Swiss francs and 5.7265 French francs, up from 1.4453 and 5.6980 on Tuesday.

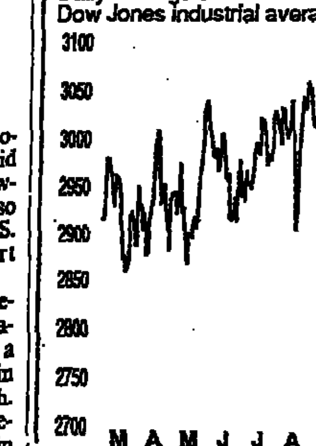
Also in London trading, the British pound eased to $1.7333 from Tuesday's $1.7435.

Foreign Exchange

Via Associated Press Sept. 25

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Upjohn	27397	47⅞	44½	47⅛	+2¾
AT&T	22238	38¼	37⅞	38	— ¼
PepsiC	21635	29	28⅜	28½	— ⅜
USXMar n	19981	32⅛	30⅝	31½	— ⅝
GTE	19584	29⅝	29¼	29⅜	+ ⅛
WalMt	18959	49⅛	47⅝	47⅞	—1⅜
CnlCrd	17740	28½	27⅝	27⅞	+ ½
McDonl	17378	34⅜	33⅜	34¼	+1¼
UCarb	15933	22⅛	21⅝	22⅛	+ ½
Transco	14528	19¼	16⅝	17¼	—2
Solomn	12764	23⅛	22⅝	23	+ ½
Compq	12667	33⅜	30⅞	33⅛	+2
MicrTc	11929	15⅜	14⅞	15	— ⅜
PhilMr	11471	72⅜	71½	71⅝	— ⅜
GnMotr	11119	37⅛	36⅞	37	

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
MetMB	19067	21¼	21	21	
CornCr	5420	25¼	24½	25⅛	+1⅛
ForstL s	5230	33¼	31⅜	32⅜	+ ⅞
Oranan	4859	16⅜	15⅜	16⅜	+1¼
FruitL	3930	19⅝	19⅛	19⅝	+ ⅜
Hllhav	3399	2⅝	2½	2⅝	— ⅛
PinRsc	3083	22⅝	20	20⅝	+ ⅜
AExpl	2514	4	3⅝	4	+ ⅜
A-ate sc	2435	8⅝	7⅞	8⅝	+ ⅝
PortSys	2425	22½	20⅝	21⅛	—1⅛
NAVac	2374	17¼	16	17⅛	+1
TelDta	2016	33½	32⅝	33¼	+ ⅝
EchoBy	1958	8⅛	8	8⅛	
Nabors	1893	5⅛	5	5⅛	
Amdhl	1662	13⅛	13	13	— ⅛

NYSE Diary

	Close	Prev.
Advanced	732	876
Declined	839	688
Unchanged	540	543
Total Issues	2111	2107
New Highs	95	103
New Lows	16	16

Amex Diary

	Close	Prev.
Advanced	253	293
Declined	294	253
Unchanged	250	253
Total Issues	797	799
New Highs	28	34
New Lows	10	8

NASDAQ Diary

	Close	Prev.
Advanced	1,011	968
Declined	924	949
Unchanged	2,213	2,230
Total Issues	4,148	4,147

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3031.98	3048.52	3004.92	3021.02	— 8.05
Trans	1189.88	1198.17	1172.25	1184.94	— 2.47
Util	209.00	210.50	208.06	209.81	+ 0.87
Comp	1074.47	1081.06	1063.75	1071.56	— 1.64

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	460.39	457.49	458.50	—1.22
Transp.	300.05	297.38	298.43	—0.67
Utilities	142.69	142.21	142.66	+0.32
Finance	31.65	31.42	31.49	—0.10
SP 500	388.25	385.99	386.88	—0.83
SP 100	366.05	363.32	363.99	—1.67

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	212.94	212.27	212.53	—0.27
Industrials	266.58	265.85	265.85	—0.19
Transp.	179.32	178.55	178.61	—1.01
Utilities	93.86	93.66	93.86	+0.23
Finance	158.88	158.57	158.51	—0.14

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	528.45	525.97	527.82	+1.35
Industrials	592.36	588.69	591.53	+2.38
Finance	521.81	519.85	520.87	+0.74
Insurance	539.40	536.48	536.77	—2.21
Utilities	612.97	605.16	607.81	—2.86
Banks	345.59	342.45	342.53	—2.79
Transp.	520.90	510.43	519.90	+9.32

AMEX Stock Index

High	Low	Close	Ch'ge
372.92	372.01	372.91	+0.75

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	96.73	+0.09
10 Utilities	97.88	—0.05
10 Industrials	95.58	+0.23

Market Sales

NYSE 4 p.m. volume	153,800,000
NYSE prev. cons. close	205,474,600
Amex 4 p.m. volume	14,310,000
Amex prev. cons. close	19,804,000
NASDAQ 4 p.m. volume	176,119,100
NASDAQ prev. 4 p.m. volume	179,751,000
NYSE volume up	63,127,300
NYSE volume down	71,152,720
Amex volume up	6,308,370
Amex volume down	5,882,260
NASDAQ volume up	86,580,700
NASDAQ volume down	57,451,500

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Sept. 24	758,013	781,493	23,868
Sept. 23	593,430	896,091	26,404
Sept. 20	980,777	1,101,325	103,294
Sept. 19	677,924	716,342	25,863
Sept. 18	550,151	666,072	3,836

*Included in the sales figures.

S&P 100 Index Options

Sept. 25

Strike Price	Calls-Last Oct	Nov	Dec	Jan	Puts-Last Oct	Nov	Dec	Jan
335	31	—	—	—	½	1⅜	—	—
340	27⅛	—	—	—	⅝	2	—	—
345	20⅝	—	—	—	⅝	2⅛	5⅛	—
350	16⅛	—	—	—	1⅛	3⅛	6⅛	8
355	12⅜	—	18⅛	—	2⅛	4⅝	7⅝	—
360	8½	11⅛	15	—	3⅜	6⅛	9⅝	11
365	5⅛	8⅝	12⅛	—	5⅛	8⅛	11	—
370	2⅞	5⅝	—	—	7⅛	10⅛	13	—
375	1⅛	3½	7	—	11⅛	14⅛	—	—
380	⅝	2⅛	4⅝	6½	16⅛	—	19	—
385	¼	1⅛	2⅜	—	19⅛	—	22⅝	—
390	⅛	⅜	2	—	—	25½	—	—
395	⅛	⅛	—	—	—	—	—	—

Calls: total vol. 64,619; total open int. 259,269
Puts: total vol. 61,648; total open int. 283,346

	Dec 92	Dec 93	Dec 92	Dec 93
27½	18	—	—	—
30	—	—	—	1⅛
32½	—	—	1⅛	2⅛
35	—	—	2⅛	3
37½	5	—	3⅛	4

Calls: total vol. 6; total open int. 23,078
Puts: total vol. 78; total open int. 88,773
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Oct	213.00	214.80	218.00	213.00	213.00	215.60
Dec	190.00	N.T.	194.00	194.00	188.00	200.60
Mar	194.60	196.00	199.00	195.00	195.80	198.80
May	193.00	194.40	196.00	194.20	194.20	196.40
Aug	191.00	200.00	197.00	197.00	195.20	199.40
Oct	176.00	201.80	200.00	196.40	194.00	200.00
Est. Sales 671.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Sep	719	720	722	719	704	706
Dec	752	754	754	739	736	737
Mar	790	791	791	778	773	774
May	809	810	811	796	793	794
Jul	829	830	830	819	813	815
Sep	848	849	850	838	833	835
Dec	870	873	872	861	856	858
Mar	892	898	N.T.	N.T.	879	882
May	907	914	N.T.	N.T.	895	900
Jul	929	933	N.T.	N.T.	917	922
Est. Sales 5,261.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Sep	508	512	514	507	510	511
Nov	532	534	535	525	524	535
Jan	557	558	560	550	558	559
Mar	576	577	577	567	571	574
Est. Sales 5,037.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Dec	287.00	286.00	284.80	287.50	— 1.00
Mar	290.00	286.50	288.50	289.00	— 2.00
May	N.T.	N.T.	286.00	287.00	— 1.30
Aug	N.T.	N.T.	286.00	288.00	— 1.50
Oct	N.T.	N.T.	266.00	269.00	Unch.
Dec	N.T.	N.T.	265.00	268.00	Unch.

Est. sales 537. Prev. sales N.Q.
Open interest N.Q.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1183.00	1184.00	1168.00	1169.00
Forward	1212.00	1213.00	1197.00	1198.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1348.00	1350.00	1322.00	1323.00
Forward	1348.50	1349.00	1323.00	1324.00
LEAD Sterling per metric ton				
Spot	306.50	307.00	307.00	308.00
Forward	317.00	317.25	317.50	318.00
NICKEL Dollars per metric ton				
Spot	7580.00	7590.00	7500.00	7510.00
Forward	7610.00	7620.00	7525.00	7530.00
TIN Dollars per metric ton				
Spot	5525.00	5532.00	5530.00	5535.00
Forward	5600.00	5605.00	5600.00	5605.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1018.00	1020.00	1010.00	1012.00
Forward	1038.00	1039.00	1030.00	1031.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Dec	90.15	90.10	90.14	+0.03
Mar	90.40	90.35	90.39	+0.02
Jun	90.37	90.34	90.37	+0.02
Sep	90.32	90.30	90.32	+0.03
Dec	90.24	90.20	90.24	+0.02
Mar	90.09	90.07	90.09	+0.02
Jun	90.07	90.05	90.06	+0.01
Sep	90.06	90.04	90.04	Unch.
Dec	N.T.	N.T.	90.00	+0.04
Est. volume: 15,611. Open interest: 125,242.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Dec	94.25	94.21	94.25	Unch.
Mar	94.35	94.32	94.35	Unch.
Jun	94.08	94.05	94.08	Unch.
Sep	93.69	93.66	93.69	Unch.
Dec	N.T.	N.T.	93.13	Unch.
Mar	N.T.	N.T.	92.99	Unch.
Jun	N.T.	N.T.	92.72	Unch.
Sep	N.T.	N.T.	92.49	Unch.
Est. volume: 2,365. Open interest: 26,700.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Dec	90.68	90.66	90.67	Unch.
Mar	90.94	90.92	90.94	+0.02
Jun	91.15	91.14	91.15	+0.01
Sep	91.30	91.28	91.30	+0.01
Dec	91.36	91.31	91.35	—0.01
Mar	91.43	91.43	91.47	+0.04
Jun	91.43	91.43	91.47	+0.02
Sep	N.T.	N.T.	91.52	+0.02
Est. volume: 13,141. Open interest: 131,910.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	95-23	95-23	95-31	—0-04
Dec	96-09	95-23	96-03	—0-03
Mar	95-29	95-29	96-02	—0-05
Est. volume: 35,843. Open interest: 58,403.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Dec	85.44	85.29	85.34	Unch.
Mar	85.57	85.55	85.53	+0.01
Jun	N.T.	N.T.	85.73	+0.01
Est. volume: 26,165. Open interest: 52,859.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Oct	200.75	198.50	199.25	199.50	+0.25
Nov	203.25	201.50	201.75	201.75	Unch.
Dec	203.75	202.00	203.00	203.00	+0.50
Jan	201.50	201.00	201.00	200.50	+0.50
Feb	196.50	194.00	196.00	195.50	+1.00
Mar	190.00	188.50	189.50	188.75	+0.25
Apr	181.50	181.50	171.50	181.50	—1.25
May	179.00	179.00	179.00	178.50	+0.50
Jun	179.00	179.00	179.00	179.00	+1.00
Est. Sales 9,586. Prev. sales 5,835. Open interest 78,410					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Nov	20.77	20.48	20.74	20.73	—0.02
Dec	20.67	20.37	20.60	20.62	—0.05
Jan	20.48	20.30	20.45	20.45	—0.02
Feb	20.30	20.18	20.20	20.30	—0.10
Mar	N.T.	N.T.	N.T.	20.10	—0.10
Apr	N.T.	N.T.	N.T.	20.10	—0.10
May	N.T.	N.T.	N.T.	19.80	—0.10
Jun	N.T.	N.T.	N.T.	19.70	—0.10
Jul	N.T.	N.T.	N.T.	19.65	—0.10
Est. Sales 28,683. Prev. sales 24,501. Open interest 74,974					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Sep	2610.0	2596.0	2608.0	+19.0
Dec	2658.0	2645.0	2657.5	+21.5
Mar	2683.0	2679.0	2693.5	+21.5
Est. volume: 10,327. Open interest: 41,399.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.537	0.53
Coffee, lb	0.68	0.68
Copper electrolytic, lb	1.2225	1.19
Iron FOB, ton	213.00	213.00
Lead, lb	0.35	0.33
Silver, troy oz	4.195	4.21
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	87.83	87.83
Tin, lb	3.6195	3.5873
Zinc, lb	0.5079	0.5204

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Sceptre Investment	Q	c-.49	10-15	10-4
INITIAL				
Micron Tech Inc	—	.05	1-2	11-29
SPECIAL				
Home Fedl Svgs Ala	—	.40	10-29	10-8
USUAL				
Aloette Cosmetics	Q	.08	11-15	10-24
Aquarion Co	Q	.40½	10-30	10-9
Aztec Mfg Co	Q	.02½	10-25	10-11
Bowl America cl-A	Q	.14	11-14	10-16
Centerior Energy	Q	.40	11-15	10-18
Cumberland Fed	Q	.12	11-1	10-8
Delmarva Pwr&Lt	Q	.38½	10-31	10-11
Echlin Inc	Q	.17½	10-18	10-4
Harsco Corp	Q	.35	11-15	10-15
Home Fedl Svgs Ala	Q	.40	10-29	10-8
Jefferson Bkshrs	Q	.25	10-31	10-4
Kaman Corp	Q	.11	10-21	10-7
Montana Power Co	Q	.37	10-31	10-10
Morrison Inc	Q	.16	10-31	10-11
Public Svc Colo	Q	.50	11-1	10-11
Sturm Ruger & Co	Q	.30	12-15	12-1

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

U.S./AT THE CLOSE

Orders Slip 3.8% for U.S. Durables But White House Is Still Optimistic

WASHINGTON (Reuters) — Orders for long-lasting manufactured goods fell sharply in August but the White House insisted Wednesday that the U.S. economy was gaining steam after a year of recession.

The U.S. Commerce Department said that durable-goods orders fell 3.8 percent last month to a seasonally adjusted $124.5 billion, with demand weaker for nearly every major category of finished product.

The August drop followed a revised 11.7 percent surge in July orders — the strongest since records were started 33 years ago — and was a less severe retreat than Wall Street economists predicted.

But the downturn showed that the industrial sector, one of the strongest areas of the economy, had been on an uneven path to recovery from the recession that began in July 1990.

IBM and Ford Win Indian Approval

WASHINGTON (NYT) — Commerce Minister Palaniappan Chidambaram of India announced Wednesday that his government had just approved plans and proposals by four American multinationals to set up joint ventures there.

The planned investments come as India continues to struggle with a large trade deficit, a trade dispute with the United States and a $69 billion foreign debt.

International Business Machines Corp., which shut down its Indian operations in 1977 after foreign ownership was limited to 40 percent, and Tata Industries, an Indian conglomerate, plan to produce IBM personal computers and computer programs. Ford Motor Co. and the Indian carmaker Maruti plan to produce aluminum radiators for cars.

U.S. and Japan Reach Accord on Cars

WASHINGTON (AP) — The United States and Japan have reached agreement on a joint effort to remove barriers that keep American cars and auto parts from being sold in Japan, the Commerce Department announced Wednesday.

The agreement was reached following high-level negotiations involving Commerce Secretary Robert Mosbacher and Eiichi Nakao, Minister of International Trade and Industry.

Two studies will seek to pinpoint barriers that exist to the sale of U.S. cars in Japan and to the purchase of U.S.-made auto parts by Japanese automakers for their plants in Japan and the United States.

3 Electronics Groups to Use Kodak

ROCHESTER, New York (Reuters) — Philips Electronics, Sony Corp. and Matsushita Electric Industrial Co. will introduce a new-generation compact disk interactive player that will include Eastman Kodak Co.'s photo CD technology, Kodak said Wednesday.

A top Kodak official said the three companies would unveil the new CDI players in New York on Oct. 16. The players would be able to display on television sets high-resolution still photographs using Kodak's photo CD technology.

For the Record

Tandy Corp. and Matsushita Electric Industrial Co. said Wednesday they had formed a 50-50 joint venture, PTCC Inc., to manufacture laptop and notebook-type 32-bit and 16-bit personal computers. *(Reuters)*

The U.S. Transportation Department on Wednesday tentatively approved Delta Air Lines Inc.'s purchase of nearly all the trans-Atlantic routes owned by Pan Am Corp. But the department deferred action on the transfer to Delta of Pan Am's Detroit-London route. *(Reuters)*

A group of 24 former New York Telephone Co. managers, claiming they were wrongfully fired, has sued the company and its parent, NYNEX Co., for $375 million for allegedly cheating consumers by inflating rates to cover such expenses as parties. *(Reuters)*

OPEC: *Production Ceiling Is Raised, Opening the Taps for Saudi Arabia*

(Continued from page 1)

tional economic embargo in August 1990.

In fact, the Iraqi oil minister, Osama Hiti, left the gathering Wednesday before it ended.

But in addition to the professed concern for the health of the world economy, OPEC experts here said, the principal goal of Saudi Arabia — beyond regaining its dominance of the cartel — is to wipe out the consequences of the pre-Gulf crisis policies of OPEC.

In July 1990, just before invading Kuwait, Iraq had emerged as the leader of the cartel, forcing Kuwait to slash its production by half to 1 million barrels a day and Saudi Arabia to settle for a low production of 5.5 million barrels a day, which was far below the country's capacity.

Saudi capacity could reach 9 million barrels a day for limited periods, which is more than any other member of OPEC can claim.

"I think the Saudis tried to erase the memory of the OPEC meeting of July 1990, which was one in which they lost control and were no longer in charge," said Vahan Zanoyan, senior director of Petroleum Finance Co. of Washington, who was observing the meeting.

The Saudi goal, several OPEC officials said, goes beyond Wednesday's triumph. It aims to put an end to an era that began in the 1970s, when OPEC attempted unsuccessfully for two decades to set the price of oil by regulating its output and to focus the organization's attention on forging long-term agreements of cooperation with the industrial world.

The Saudi strategy has not been opposed strongly by the country's main rival in OPEC — Iran — as the Tehran regime has tried to normalize its ties with Saudi Arabia in the aftermath of the Gulf war. But Iranian officials left little doubt they would continue to pursue their goal of raising oil prices.

WORLD STOCK MARKETS

Agence France Presse Sept. 25

Amsterdam	Close	Prev.
ABN Amro Hld	39.20	39.30
ACF Holding	33.50	34.90
Aegon	111.60	111.30
Ahold	83	82.90
Akzo	118.50	119.80
AMEV	47.60	48
A'Dam Rubber	3.90	4
Bols	43.20	42.80
Buhrmann Tett	46.20	46.40
Center Parcs	22.50	22.50
CSM	82.30	82.70
DAF	20.10	20.20
DSM	104.30	104.60
Elsevier	90.30	90
Fokker	31.50	31
Gist-Brocades	34.20	34.10
Heineken	152	150
Hoogovens	56.70	57.40
Hunter Douglas	75.60	76.30
IHC Caland	61	61
Inter Mueller	71.50	71.50
Int'l Nederland	47.70	47.80
KLM	30.20	30.10
KNP	49.20	49.30
Nedlloyd	55.50	55.40
Oce Grinten	57.50	57.50
Pakhoed	43.50	41.90
Philips	35.70	35.20
Robeco	99.90	99.30
Rodamco	53.40	53.50
Rolinco	99.40	99.30
Rorento	68.60	68.60
Royal Dutch	151	150.10
Unilever	157.40	156.70
Van Ommeren	42.50	42.70
VMF Stork	35.25	35.75
VNU	77	77.50
Wessanen	82.70	82.50
Wolters/Kluwer	56.70	57.90

CBS Trend Index: 98.80
Previous: 98.60

Brussels	Close	Prev.
AG Fin	1675	1710
Arbed	4430	4410
Barco	934	952
Bekaert	9700	9780
Cockerill	163	162
Cobepa	4850	4870
Delhaize	7650	7610
Electrabel	4450	4460
GIB	1202	1208
GBL	3070	3100
Gevaert	6440	6440
Hoboken	N.Q.	—
Kredietbank	3960	3960
Petrofina	10850	10900
Royal Belge	3820	3830
Soc Gen Banque	5280	5318
Soc Gen Belgique	2150	2195
Sofina	11025	11000
Solvay	12475	12525
Tractebel	7500	7480
UCB	18600	18650
Powerfin	2275	2295

Current Stock Index: 5424.65
Previous: 5447.69

Frankfurt	Close	Prev.
AEG	180	181
Allianz Hold	2042	2038
Altana	635	637
Asko	859	861
BASF	248.20	248.50
Bayer	290	288.70
Bay. Hypo bank	342	341.50
Bay Vereinsbk	385.50	388
BBC	735	770
BHF Bank	362	362
BMW	496	496.50
Commerzbank	242.10	243
Continental	211.50	216
Daimler Benz	722	719.50
Degussa	342	340.50
Dt Babcock	163	162.20
Deutsche Bank	645	645
Douglas	728	720
Dresdner Bank	344.60	343
Harpener	323	325
Henkel	554	553
Hochtief	1230	1263
Hoechst	246.50	247
Hoesch	302	303
Holzmann	1245	1257
Horten	198.50	192.50
IWKA	308	308
Kali Salz	162.50	163
Karstadt	618	614.50
Kaufhof	524	530
KHD	154.20	156
Kloeckner Werke	143.50	140
Krupp Stahl	140.50	143.80
Linde	816	826
Lufthansa	156	153
MAN	385	381.10
Mannesmann	272	268.70
Metallgesell	468.90	470
Muench Rueck	2180	2170
Nixdorf	218.70	218
PKI	518	518
Porsche	685	695
Preussag	369.10	372.90
PWA	250	250.50
RWE	383	387
Rheinmetall	334	336
Schering	797.50	801.50
SEL	380	348
Siemens	643.50	644.80
Thyssen	233	234.40
Varta	319.50	319
Veba	351.50	353
VEW	208	199.60
Viag	403.50	409
Volkswagen	362.80	365.50
Wella	647.50	647.50

DAX Index: 1625.41
Previous: 1626.63
FAZ Index: 672.97
Previous: 668.36

Helsinki	Close	Prev.
Amer A	57	57
Enso-Gutzeit	19	18
K.O.P.	22.50	24
Kymmene	60	59.90
Metra	61.50	62
Nokia	80.50	82
Pohjola	88	88
Repola	47.30	44.50
Stockmann	120	120

HEX Index: 882.80
Previous: 892.10

Hong Kong	Close	Prev.
Bk East Asia	18.40	18.60
Cathay Pacific	9.70	9.70
Cavendish Int'l	3.60	3.60
Cheung Kong	19.70	19.90
China Light Pwr	20	20
Dairy Farm Int'l	9.60	9.55
Hang Lung Dev	7.85	7.85
Hang Seng Bank	31.25	31.25
Henderson Land	12.80	12.80
HK Air Eng.	17.20	17.20
HK China Gas	10.30	10.30
HK Electric	12	11.90
HK Land	8.75	8.75
HK Realty Trust	6.45	6.70
HK Shang Bank	30.90	30.50
HK Shang Htls	4.55	4.53
HK Telecomm	7.05	7
HK Ferry	5.05	5.10
Hutch Whampoa	13.70	13.90
Hysan Dev	7.90	7.90
Jardine Math.	33.50	33.50
Jardine Str Hld	16.70	16.50
Kowloon Motor	7.75	7.65
Mandarin Orient	4.73	4.68
Miramar Hotel	5.75	5.75
New World Dev	10.40	10.40
SHK Props	21.40	21.70
Stelux	3.30	3.35
Swire Pac A	21.20	21.30
Tai Cheung Pros	4.65	4.58
TVE	2.35	2.35
Wharf Hold	9.70	9.70
Wing On Co	7.45	7.35
Winsor Ind.	8.85	9
World Int'l	5.20	5.10

Hang Seng Index: 3981.95
Previous: 3986.17

Johannesburg	Close	Prev.
AECI	10.80	11
Altech	85	85
Anglo Amer	118.25	118.75
Barlows	50.50	51.50
Blyvoor	6	6
Buffels	34.75	37.25
De Beers	86	85.95
Driefontein	37.25	37.50
Gencor	12.90	13.05
GFSA	68.50	68
Harmony	17	17
Highveld Steel	15.75	16.25
Kloof	30	30
Nedbank Grp	14.25	14.65
Randfontein	12.25	12.60
Rusplat	62	62.50
SA Brews	55	56.25
St Helena	22.25	22.25
Sasol	16.35	16.80
Welkom	14	14
Western Deep	106	109

Composite Stock Index: 3389
Previous: 3406

London	Close	Prev.
Abbey Nat'l	3.07	2.92
Allied Lyons	4.23	4.27
Arjo Wiggins	2.67	2.65
Argyll Group	2.86	2.88
ASDA Group	0.63	0.60
Ass Brit Foods	4.88	4.90
BAA	4.60	4.56
BAe	4.25	4.22
Bank Scotland	1.18	1.17
Barclays	4.60	4.59
Bass	9.87	9.71
BAT	6.60	6.44
BET	2.10	2.07
BICC	4	4.02
Blue Circle	2.60	2.60
BOC Group	5.94	5.77
Boots	4.23	4.20
BP	3.31	3.30
Brit Airways	1.82	1.83
Brit Gas	2.81	2.75
Brit Steel	1.31	1.28
Brit Telecom	3.93	3.90
BTR	4.08	4.05
Cable Wire	5.43	5.51
Cadbury Sch	4.14	4.02
Comm Union	5.18	5.14
Courtaulds	4.74	4.63
Enterprise Oil	5.88	5.10
Eurotunnel	5.28	5.25
Fisons	4.58	4.56
Forte	2.72	2.68
GEC	1.92	1.88
Gen'l Acc	5.40	5.40
Glaxo	13.53	13.58
Grand Met	8.08	8.06
GRE	1.90	1.88
Guinness	10.36	10.25
GUS A	13.40	13.10
Hanson	2.27	2.23
Hawker Sidd	7.46	7.48
Hillsdown	2.54	2.58
ICI	13.08	12.89
Kingfisher	5.48	5.43
Ladbroke	2.63	2.59
Land Sec	5.41	5.33
Lasmo	3.07	3.05
Legal Gen Grp	4.28	4.33
Lloyds Bank	3.96	3.87
Lonrho	2.46	2.39
Lucas Ind	1.46	1.48
Marks Sp	2.75	2.72
Maxwell	1.49	1.63
MEPC	4.05	4.98
Midland Bk	2.53	2.53
Nat'l Power	1.70	1.64
NatWest	3.48	3.43
NthWst Water	3.64	3.65
Pearson	7.95	7.77
P & O	5.02	5.06
Pilkington	1.52	1.53
PowerGen	1.79	1.74
Prudential	2.50	2.51
Racal Elec	0.56	0.56
Rank Org	6.78	6.77
Reckitt Col	6.71	6.78
Redland	5.50	5.50
Reed Int'l	4.78	4.77
Reuters	9.53	9.37
RMC Group	6.17	6.19
Rolls Royce	1.44	1.40
Rothmans	11.18	11.13
Royal Ins	3.72	3.67
Royal Scot	1.81	1.78
RTZ	5.46	5.43
Sainsbury	3.53	3.53
Scot Newcas	4.09	4.02
Sears Holds	0.94	0.95
Severn Trent	3.32	3.35
Shell	4.95	4.88
Smith Nephew	1.29	1.30
SmithKline B	7.60	7.60
Sun Alliance	3.47	3.49
Tarmac	2	2.03
Tate & Lyle	4.01	4.07
Tesco	2.56	2.53
Thorn EMI	7.92	7.97
Trafalgar Hse	2.40	2.42
TSB Group	1.46	1.45
Ultramar	2.34	2.34
Unilever	7.63	7.57
Utd Biscuits	3.99	3.97
War Loan 3½	36.94	37.13
Wellcome	7.39	7.27
Whitbread	4.73	4.73
Williams Hdgs	3.37	3.34
Willis Corroon	3.04	3.06

F.T. 30 Index: 2025.30
Previous: 2049.40
F.T.S.E. 100 Index: 2597.30
Previous: 2576.60

Madrid	Close	Prev.
Bco. Bilbao/Viz.	3300	3305
Banco Central	4205	4205
Bco. Santander	5170	5190
Banesto	3790	3790
CEPSA	Susp.	—
Dragados	2265	2390
Ercros	744	735
Iberdrola I	738	735
Telefonica	1130	1115

S.E. General Index: 277.38
Previous: 277.46

Milan	Close	Prev.
Alenia	2731	2746
Banca Comm	4560	4650
Bastogi	188	192
Benetton group	9950	9920
Cigahotels	2218	2225
CIR	2300	2360
Cred Ital	2448	2499
Enichem	1450	1458
Eridania	7339	7275
Ferfin	1958	1961
Ferfin Risp	1250	1249
Fiat SPA	5235	5355
Generali	26250	26450
IFI	14160	14350
Italcem	22290	22150
Italgas	3175	3195
Italmobiliare	72250	73250
Mediobanca	14965	15100
Montedison	1207	1225
Olivetti	2911	2960
Pirelli	1775	1910
RAS	17280	17300
Rinascente	7300	7300
Saipem	1500	1480
SIP	1103	1100
SME	3285	3315
Snia	1240	1268
Standa	32230	32250
Stet	1945	1960
Toro Assi Risp	22340	22250

MIB Index: 1045
Previous: 1053

Montreal	Close	Prev.
Alcan Aluminum	22⅛	22½
Bank Montreal	37¼	38⅛
Bell Canada	43⅜	43¼
Bombardier A	N.Q.	—
Bombardier B	23⅛	23⅛
Cambior	9¼	9⅜
Cascades	5⅛	5⅛
Dominion Text A	6⅞	6⅞
Donohue	N.Q.	—
MacMillan Bl	17⅛	17⅛
Memotec	N.Q.	—
Nat'l Bk Canada	11⅛	11
Power Corp.	15¼	15¼
Provigo	11½	11½
Quebec Tel	17	17
Quebecor A	18⅛	18⅛
Quebecor B	18	17⅞
Videotron	13⅛	13

Industrials Index: 1539.49
Previous: 1549.07

Paris	Close	Prev.
Accor	814	819
Air Liquide	696	696
Alcatel Alsthom	610	606
Bancaire (Cie)	539	532
BIC	738	754
Bouygues	605	602
BSN-GD	945	950
Carrefour	2080	2095
C.C.F.	176.70	178
Cerus	136.50	136.50
Chargeurs	895	896
Club Med	448	450
Elf-Aquitaine	401.20	402.10
Gen. Eaux	2498	2474
Eurodisneyland	137	139
Hachette	188.30	192.90
Havas	497	499
Imetal	286	287.50
Lafarge Coppee	366	374.30
Legrand	3840	3910
Lyon. Eaux	549	559
Oreal (L')	654	655
L.V.M.H.	4193	4190
Matra	178	174
Merlin Gerin	543	534
Michelin B	125.50	128
Moulinex	157.40	156
Paribas	438.50	440
Pechiney Intl	168	169.10
Pernod-Ricard	1250	1247
Perrier	1353	1367
Peugeot	626	628
Printemps (Au)	870	886
Radiotechnique	525	512
Roff. St. Louis	1449	1458
Redoute (La)	4655	4625
Saint Gobain	475.50	480.50
Sanofi	977	987
S.E.B.	1689	1674
Ste Generale A	451	447
Suez	329	339.70
Thomson-CSF	151	149.60
Total	885	882
U.A.P.	528	525
Valeo	557	556

CAC 40 Index: 1877.23
Previous: 1865.23

Sao Paulo	Close	Prev.
Banco do Brasil	174	175
Bradesco	10	9.60
Brahma	69	68
Paranapanema	5.01	4.92
Petrobras	2050	1970
Vale Rio Doce	344	337
Varig	52	50

Bovespa Index: 25800
Previous: 25245

Singapore	Close	Prev.
Cerebos	2.39	2.36
City Dev.	3.22	3.18
DBS	11.50	11.50
Fraser Neave	8.25	8.20
Genting	6.15	6.05
Golden Hope Pl	1.10	1.10
Haw Par	2.41	2.43
Hume Industries	3.10	3.08
Inchcape	3.74	3.76
Keppel	7.20	7.20
KL Kepong	2.10	2.11
Lum Chang	0.98	0.99
Malayan Banks	3.74	3.74
OCBC	8.50	8.45
OUB	4.34	4.38
OUE	6.55	6.60
Sembawang	6.70	6.95
Shangrila	5.30	5.35
Sime Darby	2.11	2.15
SIA	13	13
S'pore Land	5.20	5.10
S'pore Press	8.70	8.70
Sing Steamship	2.05	2.02
Straits Trading	2.45	2.52
UOB	6.10	6.15
UOL	1.50	1.53

Straits Times Ind.: 1377.46
Previous: 1381.34

Stockholm	Close	Prev.
AGA	320	320
Asea	393	395
Astra A	501	505
Atlas Copco	246	248
Electrolux B	288	288
Ericsson	166	169
Esselte-A	130	130
Handelsbanken	105	105
Norsk Hydro	185	184
Procordia AF	193	195
Providentia	104	104
SCA-A	107	107
S-E. Banken	60	62
Skandia F	187	183
Skanska	157	158
SKF	115	115
Stora	334	335
Trelleborg B	109	111
Volvo	365	365

Affaersvaerlden: 1077.80
Previous: 1081.70

Sydney	Close	Prev.
ANZ	3.88	3.84
BHP	13.95	13.95
Boral	3.29	3.38
Bougainville	0.70	0.70
Coles Myer	10.60	10.55
Comalco	3.60	3.56
CRA	13.20	13.20
CSR	5.12	5.16
Dunlop	5.26	5.22
Fosters Brew	1.73	1.73
ICI Australia	4.36	4.32
Magellan	2.15	2.14
MIM	2.08	2.10
Nat Aust Bank	7.16	7.18
News Corp	10.50	10.25
Nine Network	0.66	0.66
Nmndy Poseidon	1.16	1.16
N Broken Hill	2.53	2.54
QCT Resources	1.12	1.11
Santos	3.23	3.22
TNT	1.89	1.88
Western Mining	4.85	4.85
Westpac Banking	4.40	4.64
Woodside	3.63	3.60

All Ordinaries Index: 1562.80
Previous: 1555.50

Tokyo	Close	Prev.
Akai Electr	1110	1110
Asahi Chemical	765	754
Asahi Glass	1220	1230
Bank of Tokyo	1410	1420
Bridgestone	1160	1130
Canon	1530	1510
Casio	1390	1380
C.Itoh	696	700
Dai Nippon Print	1540	1480
Daiwa House	1970	1950
Daiwa Securities	1250	1210
Fanuc	4360	4390
Fuji Bank	2590	2590
Fuji Photo	3450	3420
Fujitsu	978	993
Hitachi	1030	1040
Hitachi Cable	980	985
Honda	1570	1540
Ito Yokado	4630	4630
Japan Airlines	1260	1240
Kajima	1500	1490
Kansai Power	2910	2960
Kawasaki Steel	403	411
Kirin Brewery	1430	1400
Komatsu	815	820
Kubota	652	650
Kyocera	5600	5540
Matsu Elec Inds	1570	1550
Matsu Elec Wks	1480	1440
Mitsubishi Bk	2620	2620
Mitsubishi Kasei	556	540
Mitsubishi Elec	655	657
Mitsubishi Hev	737	749
Mitsubishi Corp	1340	1350
Mitsui and Co	823	828
Mitsukoshi	1060	1040
Mitsumi	1600	1560
NEC	1300	1290
NGK Insulators	1050	1020
Nikko Securities	890	895
Nippon Kogaku	990	990
Nippon Oil	986	998
Nippon Steel	412	418
Nippon Yusen	650	655
Nissan	710	692
Nomura Sec	1650	1670
NTT (SF)	8415	8415
Olympus Optical	1510	1420
Pioneer	3710	3750
Ricoh	643	641
Sanyo Elec	541	540
Sharp	1530	1530
Shimizu	794	769
Shinetsu Chem	1600	1570
Sony	5340	5330
Sumitomo Bk	2190	2160
Sumitomo Chem	464	463
Sumi Marine	1030	1030
Sumitomo Metal	425	438
Taisei Corp	899	895
Taisho Marine	1050	1040
Takeda Chem	1550	1510
TDK	5770	5780
Teijin	570	553
Tokyo Marine	1380	1360
Tokyo Elec Pw	3640	3600
Toppan Printing	1390	1390
Toray Ind.	685	673
Toshiba	765	760
Toyota	1610	1590
Yamaichi Sec	863	845

Nikkei 225: 23537
Previous: 23334
Topix Index: 1813
Previous: 1798

Toronto	Close	Prev.
Abitibi Price	15¼	15⅛
Agnico Eagle	4.40	4.45
Air Canada	7⅛	7⅛
Alberta Energy	13½	13⅛
Am Barrick Res	25⅝	25⅛
BCE	45⅜	45⅜
Bk Nova Scotia	19⅛	19⅛
BC Gas	16⅛	16⅛
BC Phone	19⅛	19⅛
BF Realty Hds	0.12	0.12
BP Canada	13⅛	13⅛
Bramalea	4.60	4.65
Brunswick	N.Q.	7
CAE	7⅞	7⅛
Campeau	0.50	0.48
CIBC	31⅛	31⅛
Canadian Pacific	17⅜	17⅜
Can Packers	15⅝	15⅝
Can Tire A	22⅛	22⅛
Canadian Turbo	1.90	1.89
Cantor	23	23⅛
Cara	5⅛	5½
CCL Ind B	10½	10½
Cineplex	3.95	4
Cominco	21⅛	21½
Conwest Expl A	N.Q.	11⅛
Corona Int'l	6⅛	6⅛
Denison Min B	0.24	0.24
Dickenson Min A	N.Q.	2⅜
Dofasco	17½	17⅜
Dylex A	3⅛	3⅛
Echo Bay Mines	9⅛	9⅛
Equity Silver A	1.17	1.07
FCA Int'l	5⅛	5⅛
Fed Ind A	7½	7½
Fletcher Chall A	15⅛	15⅛
FPI	5⅛	5⅛
GoldCorp	3.20	3.20
Gulf Cda Res	8	8⅛
Hees Int'l	16½	16½
Hemlo Gld Mines	9⅛	9¼
Hollinger	11⅛	11⅛
Horsham	10⅛	10½
Hudson's Bay	34⅛	34⅛
Imasco	32½	31⅞
Inco	35⅛	36
Interprov pipe	30⅛	30⅛
Jannock	15½	15½
Labatt	25⅛	25⅛
Loblaw Co	19⅛	19⅛
Mackenzie	6½	6½
Magna Int'l A	15⅛	14⅛
Maritime	20	20
Mark Res	6⅛	7
MacLean Hunter	10⅛	9⅞
Molson A	30⅛	30⅛
Noma Ind A	7	7⅛
Noranda Inc	17⅛	17⅛
Noranda Forest	7⅛	7⅛
Norcen Energy	22½	22½
Nova Corp	7⅛	7⅛
Oshawa	24	22⅝
Pagurin A	5⅛	5⅛
Placer Dome	12½	12⅛
Poco Petroleum	7⅛	7½
PWA Corp	4½	4.48
Quebec Sturgeon	0.15	0.15
Rayrock	5⅛	6
Renaissance	14⅛	14½
Rogers B	10⅛	10⅛
Rothmans	72½	71
Royal Bank Can	26½	26⅛
Royal TrustCo	9⅛	9⅛
Sceptre Res	2.65	2.70
Scott's Hosp	16⅛	16⅛
Seagram	121½	121
Sears Can	11½	11⅛
Shell Can	43⅛	43½
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	5⅛	5⅛
Southam	15½	15⅛
Spar Aerospace	15⅛	15½
Stelco A	5⅛	5⅛
Teck B	19⅛	19½
Thomson News	14⅛	14⅛
Toronto Domn	17⅛	17½
Torstar B	21½	22⅛
Transalta Util	12⅛	12⅛
TransCda Pipe	16⅛	16½
Triton Finl A	12⅛	12⅛
Trimac	8⅛	8⅛
Trizec A	10⅛	10⅛
Unicorp Energy	12⅛	12⅛
Woodward's Ltd	2.65	2.90

TSE 300 Index: 3390.10
Previous: 3398.10

Zurich	Close	Prev.
Adia Int'l	803	804
Alusuisse	1040	1060
Leu Holdings	1750	1745
Brown Boveri	4350	4350
Ciba Geigy	3080	3100
CS Holding	2040	2050
Elektrow	2770	2760
Fischer	1385	1380
Interdiscount	2860	2880
Jelmoli	1600	1600
Landis Gyr	1100	1100
Moevenpick	3930	3940
Nestle	8210	8240
Oerlikon-B	393	398
Pargesa Hld	1180	1180
Roche Holding B	4945	4935
Safra Republic	84	84
Sandoz	2150	2150
Schindler	4700	4700
Sulzer	475	471
Surveillance	7450	7530
Swissair	750	750
SBC	307	310
Swiss Reinsur	490	492
Swiss Volksbank	1200	1220
Union Bank	3390	3430
Winterthur	3360	3470
Zurich Ins	1935	1945

SBS Index: 618.20
Previous: 613.10

U.S. FUTURES

Via Associated Press Sept. 25

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.35¾	2.72½	Dec	3.28½	3.29¾	3.27	3.27¾	+.00¾
3.70¾	2.79	Mar	3.32	3.32¾	3.30¼	3.30¾	+.00⅞
3.37½	2.80½	May	3.25	3.26	3.24	3.24½	+.00½
3.16½	2.79	Jul	3.08¾	3.10¼	3.08¼	3.08½	+.01½
3.22	2.92	Sep				3.15	+.01½
Est. Sales		Prev. Sales 7,169					
Prev. Day Open Int. 56,816 off 218							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Dec	3.27½	3.30	3.26½	3.27	+.00¾
		Mar	3.29¾	3.31¼	3.28½	3.28½	+.00¾
		May	3.24	3.25	3.23½	3.23½	+.00½
		Jul	3.09¾	3.11½	3.09½	3.10	+.01¼
		Sep				3.14	
Est.Sales		Prv.Sales 3,923		Prev.Day Open Int 33,834			Chg. —37
CORN (CBT) 5,000 bu minimum-dollars per bushel							
2.73	2.20	Dec	2.50¼	2.50½	2.47	2.47¼	—.01¼
2.77¼	2.28½	Mar	2.58	2.58	2.55	2.55¼	—.01¼
2.79½	2.34¾	May	2.62½	2.63	2.60	2.60¾	—.01
2.82	2.39½	Jul	2.65¼	2.65¾	2.62½	2.63	—.01
2.65	2.36½	Sep	2.56	2.56	2.53¼	2.53¼	—.01½
2.59¾	2.36½	Dec	2.52½	2.52½	2.49½	2.50	—.01½
		Mar				2.57	—.01
Est. Sales		Prev. Sales 34,556					
Prev. Day Open Int. 219,718 up 1,848							
SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel							
6.74	5.17	Nov	5.96	5.97¼	5.89½	5.90¼	—.01¾
6.59	5.27½	Jan	6.08	6.08¼	6.00½	6.01	—.02¼
6.66	5.38	Mar	6.17½	6.18½	6.10½	6.10¾	—.02½
6.68	5.47	May	6.24½	6.25¼	6.17¼	6.17¾	—.02¼
6.68	5.62½	Jul	6.30	6.30½	6.22½	6.22½	—.02¼
6.60	5.90	Aug	6.24	6.24	6.20	6.20½	—.01
6.28	5.57	Sep	6.06	6.06	5.98	5.98	—.04
6.20¾	5.52	Nov	5.97	5.98	5.90½	5.90¾	—.02¾
Est. Sales		Prev. Sales 26,010					
Prev. Day Open Int. 106,625 up 1,031							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
201.00	159.90	Oct	193.00	193.50	190.60	191.70	+.50
198.50	160.00	Dec	190.50	190.70	187.90	188.10	+.20
197.00	161.30	Jan	188.50	188.70	186.00	186.20	+.10
180.00	163.50	Mar	186.50	186.50	184.30	184.50	+.30
194.00	164.50	May	183.50	183.80	181.60	182.10	+.20
196.00	166.00	Jul	183.50	183.50	180.90	181.70	—.20
188.50	172.50	Aug	180.00	180.00	180.00	180.00	+.30
186.00	173.00	Sep	180.00	180.00	178.80	178.80	—.20
191.10	190.00	Oct				190.90	+.90
195.00	191.00	Dec	197.20	191.20	191.80	191.70	+.50
Est. Sales		Prev. Sales 16,444					
Prev. Day Open Int. 68,384 up 133							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
24.90	18.50	Oct	20.95	20.95	20.63	20.68	—.15
24.05	4.00	Dec	21.27	21.27	21.00	21.07	—.09
24.15	19.00	Jan	21.43	21.43	21.19	21.29	—.06
24.10	19.32	Mar	21.78	21.78	21.53	21.61	—.05
23.90	19.42	May	21.90	21.99	21.85	21.89	—.01
24.30	19.90	Jul	22.16	22.27	22.16	22.25	
22.20	20.05	Aug	22.30	22.30	22.38	22.35	
22.20	21.20	Sep	22.25	22.25	22.25	22.35	—.07
22.30	21.95	Oct	22.25	22.30	22.25	22.30	—.02
22.55	22.15	Dec	22.40	22.60	22.40	22.60	+.08
Est. Sales		Prev. Sales 17,780					
Prev. Day Open Int. 65,696 off 118							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.90	68.62	Oct	74.15	74.50	74.12	74.45	+.28
77.10	71.15	Dec	74.75	76.97	74.70	76.92	+.17
76.70	71.00	Feb	74.25	74.50	74.22	74.42	+.10
77.00	72.10	Apr	75.10	75.30	75.05	75.20	+.15
75.15	70.25	Jun	72.57	72.65	72.47	72.65	+.08
72.60	69.25	Aug	71.00	71.00	70.70	70.70	—.02
72.00	69.80	Oct				71.75	+.15
Est. Sales 11,114		Prev. Sales 22,293					
Prev. Day Open Int. 74,650 off 1,051							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
88.95	79.25	Sep	86.15	86.35	86.10	86.25	+.03
88.30	80.20	Oct	85.70	86.10	85.40	86.10	+.30
88.10	80.90	Nov	85.75	86.35	85.65	86.15	+.43
87.80	80.60	Jan	85.25	85.70	85.15	85.45	+.25
87.10	80.27	Mar	84.30	84.30	84.00	84.20	+.15
87.00	79.95	Apr	83.75	83.80	83.60	83.72	+.17
86.50	78.95	May	82.40	82.80	82.55	82.60	+.20
82.80	80.50	Aug				82.80	
Est. Sales 2,379		Prev. Sales 2,156					
Prev. Day Open Int. 11,464 off 241							
HOGS (CME) 40,000 lbs.- cents per lb.							
49.55	42.05	Oct	46.10	46.37	45.88	46.00	—.07
48.92	42.00	Dec	45.70	45.85	45.25	45.40	—.15
48.25	41.60	Feb	44.90	45.00	44.35	44.50	—.22
46.62	40.70	Apr	42.67	42.75	42.50	42.55	—.30
50.60	45.45	Jun	46.75	46.75	46.60	46.55	—.25
48.20	45.60	Jul	46.85	46.85	46.62	46.67	—.27
46.85	44.47	Aug	45.17	45.17	45.15	45.17	—.23
42.00	40.50	Oct				41.55	—.22
Est. Sales 3,951		Prev. Sales 4,331					
Prev. Day Open Int. 19,030 up 55							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.00	43.80	Feb	48.05	48.30	47.10	47.30	—.40
61.00	43.00	Mar	48.10	48.10	47.05	47.12	—.43
58.20	44.50	May	49.10	49.10	48.05	48.12	—.60
57.00	44.90	Jul				48.32	—.50
51.00	42.55	Aug				46.52	—.38
Est. Sales 2,231		Prev. Sales 4,177					
Prev. Day Open Int. 7,803 off 515							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
116.00	81.40	Dec	90.95	92.15	90.40	91.20	—.40
107.50	85.00	Mar	93.60	95.20	93.50	94.50	—.15
108.00	87.40	May	96.00	97.20	96.00	96.80	—.30
108.00	90.50	Jul	98.40	99.50	98.40	99.25	
108.00	92.25	Sep	102.00	102.00	102.00	102.50	—.50
107.25	98.00	Dec	105.00	105.00	105.00	105.00	—.25
Est. Sales 7,323		Prev. Sales 8,834					
Prev. Day Open Int. 43,714 up 791							
SUGAR-WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	9.48	9.50	9.41	9.47	—.02
10.14	7.56	Mar	9.18	9.18	9.12	9.16	—.07
9.77	7.65	May	9.05	9.15	9.04	9.06	—.01
9.05	7.80	Jul	9.05	9.16	9.01	9.03	+.02
9.00	7.93	Oct	9.00	9.06	8.92	8.92	+.01
Est. Sales 20,079		Prev. Sales 43,224					
Prev. Day Open Int. 105,781 up 5,993							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1535	950	Dec	1202	1230	1202	1226	+22
1538	997	Mar	1270	1280	1263	1279	+23
1385	1026	May	1295	1310	1295	1307	+18
1385	1056	Jul	1321	1321	1320	1328	+17
1370	1080	Sep	1342	1342	1342	1355	+20
1400	1119	Dec				1391	+20
1432	1272	Mar				1426	+20
1442	1210	May				1449	+20
1447	1294	Jul				1474	+20
Est. Sales 3,414		Prev. Sales 3,774					
Prev. Day Open Int. 53,918 off 96							

Est. Sales 3,414 Prev. Sales 3,774
Prev. Day Open Int. 53,918 off 96

Season High	Season Low		Open	High	Low	Close	Chg.
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
126.90	111.00	Nov	122.10	125.00	120.80	124.60	+2.75
125.10	112.45	Jan	121.20	124.25	120.20	123.90	+3.10
125.40	113.60	Mar	122.80	124.90	121.00	124.75	+3.15
124.50	115.00	May	122.00	126.00	122.00	125.80	+3.10
124.00	115.25	Jul	124.00	124.80	124.00	125.80	+3.70
120.30	118.00	Sep				125.80	+3.10
125.00	118.00	Nov				125.80	+3.10
		Jan				125.80	+3.10
Est. Sales		Prev. Sales 2,053					
Prev. Day Open Int. 11,580 up 454							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
110.50	9.20	Sep	108.35	110.40	108.35	110.25	+2.85
108.00	95.30	Oct	107.10	109.20	107.10	109.15	+2.65
106.10	95.10	Nov	107.40	107.40	107.40	107.90	+2.55
108.50	94.50	Dec	105.15	106.90	105.00	106.45	+2.30
104.90	95.00	Jan				105.45	+2.10
105.10	95.00	Feb	103.95	103.95	103.95	104.70	+1.85
106.80	93.90	Mar	102.90	103.95	102.90	103.95	+1.85
108.90	93.50	Apr				103.20	+1.75
106.20	93.30	May	101.70	102.30	101.70	102.65	+1.45
106.85	95.10	Jun				102.30	+1.75
103.80	92.80	Jul	101.10	101.10	101.10	101.85	+1.75
99.10	98.70	Aug				101.50	+1.75
103.45	92.80	Sep	100.00	100.30	100.00	101.15	+1.75
100.50	91.60	Dec				100.35	+1.75
98.80	2.50	Jan				100.00	+1.75
98.00	92.80	Mar				99.45	+1.75
97.60	93.70	May				99.10	+1.75
97.00	96.80	Jul				98.80	+1.75
Est. Sales 12,500		Prev. Sales 7,333					
Prev. Day Open Int. 39,842 off 333							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
654.0	367.5	Sep	420.0	421.0	418.0	421.7	—3.3
421.0	388.0	Oct				421.9	—3.5
386.0	384.0	Nov				424.1	—3.5
623.5	374.0	Dec	427.0	428.0	422.0	426.5	—3.5
596.0	391.0	Jan				428.7	—3.5
613.0	382.0	Mar	434.0	434.5	429.0	433.4	—3.6
589.0	385.0	May	438.0	438.5	434.0	437.9	—3.7
557.0	395.0	Jul	442.0	442.5	441.5	442.3	—3.8
483.0	408.0	Sep				447.1	—3.8
507.0	408.0	Dec	452.5	452.5	452.5	454.5	—3.8
505.0	440.0	Jan				457.2	—3.8
513.0	429.0	Mar				462.3	—3.7
473.0	438.0	May				467.9	—3.8
464.0	439.0	Jul				473.5	—3.8
Est. Sales 22,000		Prev. Sales 31,845					
Prev. Day Open Int. 88,106 up 650							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
513.00	330.00	Oct	355.20	357.50	353.50	355.60	—1.40
451.50	334.50	Jan	358.50	361.30	357.50	360.00	—1.40
438.50	339.50	Apr	362.50	364.50	362.30	364.00	—1.40
427.50	342.00	Jul	366.00	366.00	366.00	367.80	—1.40
404.00	356.50	Oct				374.80	—1.40
Est. Sales		Prev. Sales 4,009					
Prev. Day Open Int. 18,131 up 96							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
114.50	78.00	Dec	84.00	84.50	83.75	84.30	+.25
135.75	80.50	Mar	84.65	85.00	84.60	85.10	+.15
101.75	83.50	Jun	85.85	85.85	85.85	86.40	+.15
Est. Sales		Prev. Sales 380					
Prev. Day Open Int. 4,024 up 39							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
375.00	341.00	Sep	352.50	352.50	352.50	352.80	—.90
476.00	343.00	Oct	352.40	353.50	352.30	353.08	—1.00
347.00	346.80	Nov				354.60	—.90
483.00	346.00	Dec	356.00	356.90	355.40	356.30	—.90
456.50	349.80	Feb	359.70	359.90	358.80	359.40	—.90
446.00	354.00	Apr				362.20	—.90
467.00	355.00	Jun	365.80	366.00	365.80	365.20	—.90
436.50	359.60	Aug				368.30	—.90
410.80	364.20	Oct				371.40	—.90
404.80	366.00	Dec				374.60	—.90
404.20	484.20	Feb				377.90	—.90
410.00	375.00	Apr				381.20	—.90
411.80	376.40	Jun				384.60	—1.00
Est. Sales 30,000		Prev. Sales 29,775					
Prev. Day Open Int. 102,671 off 4,077							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
95.20	92.24	Dec	94.83	94.85	94.81	94.83	
95.20	93.42	Mar	94.90	94.90	94.90	94.89	—.01
94.67	93.15	Jun	94.63	94.67	94.63	94.67	+.02
94.34	93.87	Sep	94.33	94.35	94.33	94.32	
		Dec				93.82	
Est. Sales 4,379		Prev. Sales 8,016					
Prev. Day Open Int. 46,180 up 778							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
103.005	98.190	Dec	102.295	103.015	102.270	102.295	—.005
01.280	99.250	Mar				102.085	—.005
Est. Sales		Prev. Sales 7,407					
Prev. Day Open Int. 88,045 up 508							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
102-1	95-15	Dec	101-26	101-29	101-19	101-23	—2
101-10	95-8	Mar	101-3	101-3	101-3	101-1	—2
99-13	98-11	Jun				100-12	—2
Est. Sales		Prev. Sales 22,823					
Prev. Day Open Int. 97,375 up 2,200							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-16	85-19	Dec	99-3	99-8	98-27	98-30	—4
98-22	85-14	Mar	98-10	98-15	98-3	98-6	—3
97-27	85-3	Jun	97-20	97-20	97-10	97-13	—3
97-8	87-14	Sep	96-30	96-30	96-23	96-23	—3
96-17	85-6	Dec	96-5	96-5	96-3	96-3	—3
95-31	90-16	Mar				95-17	—3
95-29	90-22	Jun				95	—3
94-14	90	Sep				94-16	—3
94	93-31	Dec				94-2	—3
93-18	90	Mar				93-21	—3
Est. Sales		Prev. Sales 292,958					
Prev. Day Open Int. 309,868 up 8,079							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
94-11	1-22	Dec	94-1	94-4	93-28	94	—1
93-23	88	Mar	93-15	93-15	93-13	93-13	—1
Est. Sales		Prev. Sales 1,098					
Prev. Day Open Int. 7,923 off 33							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
94.32	90.04	Dec	94.25	94.26	94.18	94.24	
94.35	90.09	Mar	94.34	94.36	94.28	94.34	+.01
94.09	90.35	Jun	94.07	94.09	94.01	94.07	+.01
93.69	90.32	Sep	93.68	93.70	93.64	93.68	+.01
93.15	90.34	Dec	93.12	93.13	93.09	93.11	—.01
93.01	90.28	Mar	92.98	92.99	92.95	92.97	—.02
92.75	90.27	Jun	92.75	92.75	92.70	92.72	—.02
92.54	90.27	Sep	92.51	92.52	92.46	92.50	—.01
92.22	90.22	Dec	92.20	92.22	92.16	92.17	—.01
92.22	90.24	Mar	92.19	92.22	92.16	92.19	—.01
92.08	90.40	Jun	92.06	92.09	92.03	92.04	—.01
91.93	90.36	Sep	91.92	91.92	91.89	91.90	—.01
91.71	90.71	Dec	91.68	91.68	91.65	91.67	—.01
91.74	90.75	Mar	91.69	91.70	91.68	91.69	—.01
91.66	90.71	Jun	91.62	91.62	91.61	91.63	—.01
91.60	91.53	Sep	91.55	91.55	91.53	91.54	—.01
Est. Sales 133,825		Prev. Sales 152,140					
Prev. Day Open Int. 809,969 up 2,366							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.7900	1.5470	Dec	1.7194	1.7198	1.7130	1.7166	+34
1.7130	1.5670	Mar	1.6990	1.7024	1.6970	1.6978	+34
		Jun				1.6838	+34
Est. Sales		Prev. Sales 17,429					
Prev. Day Open Int. 23,683							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8764	.8175	Dec	.8738	.8742	.8734	.8738	—5
.8712	.8268	Mar	.8706	.8713	.8706	.8709	—2
.8663	.8330	Jun				.8680	—2
.8610	.8420	Sep				.8654	
.8530	.8520	Dec	.8567	.8567	.8567	.8569	+2
Est. Sales		Prev. Sales 2,381					
Prev. Day Open Int. 26,605							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6770	.5365	Dec	.5906	.5912	.5882	.5895	+3
.5910	.5352	Mar	.5855	.5860	.5843	.5842	+3
.5825	.5322	Jun				.5795	+3
Est. Sales		Prev. Sales 50,575					
Prev. Day Open Int. 58,156 up 3,952							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007569	.006997	Dec	.007488	.007502	.007486	.007487	+6
.007525	.007000	Mar	.007482	.007482	.007477	.007484	+6
.007485	.007150	Jun				.007485	+3
.007280	.007280	Sep				.007490	+2
.007520	.007512	Dec				.007501	+1
Est. Sales		Prev. Sales 19,065					
Prev. Day Open Int. 59,888 up 855							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8090	.6240	Dec	.6793	.6805	.6775	.6788	+7
.6995	.6267	Mar	.6751	.6751	.6751	.6750	+7
.6675	.6675	Jun				.6718	+7
Est. Sales		Prev. Sales 25,650					
Prev. Day Open Int. 24,769 up 1,773							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
83.30	62.30	Oct	63.35	63.60	62.85	62.91	—.48
76.35	63.51	Dec	65.50	65.55	64.71	65.09	—.45
77.15	64.65	Mar	67.08	67.17	66.40	66.70	—.41
92.25	65.10	May	67.80	67.80	67.21	67.38	—.38
77.70	66.50	Jul	68.45	68.45	67.85	67.93	—.43
70.60	66.35	Oct				66.44	—.41
69.00	65.65	Dec	66.00	66.20	65.92	66.20	—.05
		Mar				67.50	
Est. Sales		Prev. Sales 4,197					
Prev. Day Open Int. 36,393 off 445							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.00	51.30	Oct	63.35	63.90	62.90	63.40	—.09
78.80	52.30	Nov	64.80	65.10	64.05	64.80	—.33
82.62	53.30	Dec	65.85	66.15	65.20	66.10	+.11
69.10	53.40	Jan	66.10	66.30	65.30	66.15	+.05
67.30	52.25	Feb	64.50	64.70	64.00	64.60	+.03
64.50	51.40	Mar	62.12	62.12	61.30	61.90	—.02
61.80	50.00	Apr	59.50	59.45	58.90	58.95	—.22
58.50	48.80	Jun	57.10	57.10	57.10	57.10	+.38
58.30	51.40	Jul	56.05	56.05	56.05	56.05	—.22
Est. Sales		Prev. Sales 46,132					
Prev. Day Open Int. 143,830 up 4,231							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
28.10	17.20	Nov	22.15	22.27	21.90	22.19	
27.70	17.10	Dec	22.02	22.16	21.80	22.18	
27.40	17.25	Jan	21.86	21.96	21.65	21.92	
27.00	17.50	Feb	21.44	21.76	21.50	21.76	+.03
26.75	17.25	Mar	21.50	21.56	21.33	21.58	
24.58	17.50	Apr	21.35	21.41	21.17	21.41	+.03
24.60	17.30	May	21.20	21.34	21.17	21.24	
24.50	17.70	Jun	21.10	21.10	21.00	21.03	—.11
22.11	17.90	Jul	21.00	21.06	20.85	21.03	
21.33	17.75	Aug	21.00	21.01	20.95	21.06	—.01
24.80	17.78	Sep	21.00	21.00	20.95	20.94	—.05
24.00	18.25	Dec	21.00	21.00	20.95	20.99	—.01
20.91	20.10	Jan	20.85	20.85	20.80	20.80	—.19
Est. Sales		Prev. Sales 126,592					
Prev. Day Open Int. 365,276 up 5,477							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
68.75	49.75	Oct	60.90	61.90	60.80	61.90	+.82
66.75	48.60	Nov	60.50	61.50	60.50	61.30	+.44
75.25	47.75	Dec	59.90	60.60	59.70	60.50	+.70
61.60	47.00	Jan	59.45	60.00	59.25	59.90	+.62
61.35	50.70	Feb	59.90	60.10	59.40	60.05	+.37
62.60	50.50	Mar	60.90	60.90	60.85	60.85	+.12
66.40	57.30	Apr	65.10	65.10	64.75	65.00	+.20
64.00	57.30	May	64.60	64.60	64.60	64.60	+.40
Est. Sales		Prev. Sales 23,696					
Prev. Day Open Int. 91,915 up 659							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
401.50	321.75	Dec	390.75	391.30	388.30	389.25	—1.05
403.20	380.00	Mar	392.55	393.40	391.40	391.85	—1.05
406.40	392.50	Jun	393.80	393.80	393.80	393.85	—1.60
		Sep				397.80	—1.20
Est. Sales		Prev. Sales 41,705					
Prev. Day Open Int. 136,817 up 354							
NYSE COMP. INDEX (NYFE) points and cents							
219.70	175.50	Dec	214.60	214.90	213.35	213.95	—.50
220.35	207.20	Mar	216.00	216.00	215.00	215.15	—.55
219.20	208.30	Jun	217.25	217.25	216.65	216.35	—.60
		Sep				217.35	—.65
Est. Sales		Prev. Sales 5,868					
Prev. Day Open Int. 4,454 off 18							

Commodity Indexes

	Close	Previous
Moody's	1,027.80	1,026.00
Reuters	1,453.80	1,458.10
Dow Jones Futures	124.56	124.70
Comm. Research	217.48	217.61

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Citicorp Said to Clinch Sale to Italian Bank

Reuters

MILAN — Citicorp has agreed in principle to sell its commercial bank in Italy, Citibank Italia SpA, to Banco Ambrosiano Veneto, and the accord is likely to be announced next week, banking sources close to the talks said on Wednesday.

Ambroveneto, Italy's largest private banking group, will pay about 360 billion lire ($290 million) for Citibank Italia, the sources said.

Earlier on Wednesday, Consob, the securities and exchange regulatory body, suspended Citibank Italia's shares on Milan's over-the-counter stock market. Neither Ambroveneto nor Citibank Italia had any comment.

Ambroveneto said earlier this month it was interested in acquiring Citibank Italia, which has about 50 branches in southern Italy.

The sources said Citicorp had no plans to sell its other Italian units that operate in such areas as consumer finance, merchant banking and securities trading.

They said the Bank of Italy, the central bank, had approved the acquisition but Ambroveneto's chairman, Giovanni Bazoli, wanted additional time to discuss the move with the bank's board and leading shareholders.

Mr. Bazoli said in a television interview that if an agreement was concluded, it would be announced soon. He said details still had to be completed.

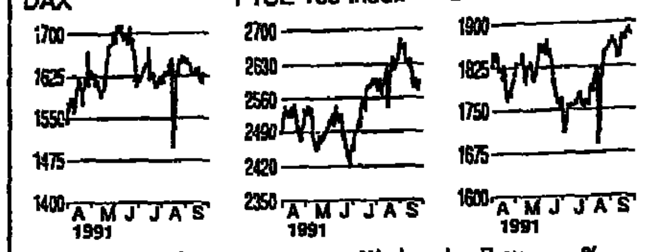
Ambroveneto's board met on Tuesday but "officially did not talk about the matter," a bank spokesman said. The main purpose of the board meeting was to approve first-half results, he said.

The sources declined to say if Ambroveneto planned to make the acquisition with cash or shares or a combination of both. There has been Italian press speculation that it would pay half in cash and half in shares.

A major Italian bank and Deutsche Bank's Italian subsidiary, Banca d'America e d'Italia, had also held talks about purchasing Citibank Italia, the sources said.

They said Citicorp decided to sell the Italian company as part of its sweeping restructuring of global businesses.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	90.60	90.60	Unch.
Brussels	Stock Index	5,424.65	5,449.69	-0.46
Frankfurt	DAX	1,625.41	1,626.63	-0.08
Frankfurt	FAZ	672.93	668.36	+0.68
Helsinki	HEX	882.80	892.10	-1.04
London	Financial Times 30	2,025.30	2,009.40	+0.79
London	FTSE 100	2,597.80	2,576.60	+0.82
Madrid	General Index	277.86	277.46	+0.14
Milan	MIB	1,045.00	1,053.00	-0.76
Paris	CAC 40	1,877.93	1,885.23	-0.39
Stockholm	Affarsvariden	1,077.80	1,081.70	-0.36
Vienna	Stock Index	506.15	508.04	-0.37
Zurich	SBS	610.20	613.10	-0.47

Sources: Reuters, AFP International Herald Tribune

EBRD Sets First Bond, 500 Million Ecu Issue

Agence France-Presse

LONDON — The European Bank for Reconstruction and Development on Wednesday launched its first bond issue with the announcement of a 500 million European currency unit ($608 million) Eurobond issue.

The bank has a plan to borrow 800 million Ecus by the end of next year to finance part of its operations in Eastern Europe.

The EBRD, officially inaugurated in London in April, was set up to help reforming East European economies.

The five-year bond is being lead-managed by the U.S. investment bank Morgan Stanley International, which was to announce the terms later. The yield was expected to be near the current Ecu Eurobond yield of 8.91 percent.

The bank's other source of funds is capital of 10 billion Ecus, of which one-third is to be paid during the next five years by the 41 member countries and institutions.

The EBRD had said at the beginning of the year that it planned to launch two or three international loans in 1991, restricting its calls on the market to underline a strong credit rating.

Leading international credit-rating agencies were expected to award the EBRD the top, triple-A rating.

Shareholders in the bank are 39 countries, the EC Commission and the European Investment Bank.

Earlier this week, the bank adopted its strategy for Poland, announced its first operations in Czechoslovakia and in Hungary and created an agency for investment in small and medium-sized companies in Central and Eastern Europe in conjunction with NMB Bank of the Netherlands.

It also said recently that it would welcome applications for membership from Estonia, Latvia and Lithuania once they were recognized by the international community. But the bank's board of directors, which had met to consider strategy in the Soviet Union, agreed to continue to regard the other republics as part of the union.

Brandenburg To Get Huge Leisure Center

Reuters

BERLIN — Toronto-based Horsham Corp. became Eastern Germany's biggest foreign investor on Wednesday by pledging a 1.5 billion Deutsche mark ($893 million) investment for a shopping, hotel and leisure center in the state of Brandenburg.

The Treuhandanstalt, the government privatization agency, said Horsham was buying a 195-hectare (482-acre) property previously owned by one of Eastern Germany's unprofitable agricultural cooperatives.

The investment would generate as many as 15,000 jobs in the depressed state, it added.

The next biggest foreign investor in the former communist state is Coca Cola Co. The U.S.-based soft drink company has announced plans for a 660 million DM investment.

Very briefly:

- **Audi AG** said it was adding extra shifts in October and November to meet strong demand, especially for its Audi 80 model.
- **L'Air Liquide**, the French industrial-gases concern, may sell its 52 percent controlling stake in the pharmaceuticals firm **Lipha** to the German chemicals and pharmaceuticals company **E. Merck**, sources said.
- **HES Beheer NV**, the Dutch stevedoring group, said it concluded the takeover of **Interstevedoring BV** and **J.A. Rijsdijk Holding BV** and was waiting to acquire 40 percent of **Koninklijke Frans Swarttouw BV**.
- **Dagenham Motors PLC**, Britain's leading Ford car dealership, said pretax profit fell 43 percent in the first half on only slightly lower sales.
- **MacMillan Bloedel Ltd.**, Canada's largest integrated lumber company, said Turlock and West Sacramento in California were being considered for a proposed joint venture with the German paper-recycler **Haindl Papier**.
- **Société Générale** will report much better first-half profits despite sizable provisions against domestic loan losses, said the chairman of the French bank, Marc Vienot.
- **Landis & Gyr AG**, the Swiss engineering company, said it would cut 350 jobs at its Zug base in the next two years as part of a restructuring.
- **STN Systemtechnik Nord GmbH**, a subsidiary of the shipbuilder Bremer Vulkan AG, said it won an order for $25 million to deliver mine-finding sonar machines to the German Defense Ministry.
- **Gechem SA**, chemicals subsidiary of Société Générale de Belgique SA, said it was aiding in an investigation into the 1989 sale of its PRB munitions unit to Britain's **Astra Holdings PLC**.
- **AEG AG**, the German electronics group, said a recent German report that it would post a loss of more than $300 million in 1991 was incorrect.
- **NMB Postbank NV** of the Netherlands said it had opened a representative office in Budapest, reportedly the first foreign bank to be granted a license to set up a fully owned subsidiary in Hungary.
- **Sandoz AG**, the Swiss chemicals concern, has been cleared of wrongdoing in a big toxic spill into the Rhine River nearly five years ago.
- **Barco NV**, the Belgian video-screen, graphics and automation company, announced a sharp drop in profit, to $860,000, for the first half.
- **Ciments Français**, the third-largest cement producer worldwide, reported a 71.9 percent fall in first-half net profit, to 113 million francs ($20 million) from 402 million francs during the same period last year.

Reuters, AP, AFP

Abbey National Buys Scottish Insurer

Compiled by Our Staff From Dispatches

LONDON — Abbey National PLC, the former savings society that became a bank in 1989, announced Wednesday an expansion into the life-insurance business with a £285 million ($496 million) agreed acquisition of the Scottish Mutual Assurance Society.

News of the diversification, which followed similar moves by Lloyds and TSB banks, came as figures from the Building Societies Association revealed continuing weakness in Abbey's main home-loans market. Net new mortgage commitments fell to £3.2 billion in August, from £3.9 billion in July.

The acquisition, which analysts said would strengthen Abbey in the personal-finance sector and provide long-term benefits, boosted Abbey's shares 14 pence to 307 pence by the close. *(AFP, UPI)*

Fiat Expects Sharp Drop in Profit

The Associated Press

TURIN — Giovanni Agnelli, chairman of Italy's largest industrial group, predicted on Wednesday a sharp drop in Fiat SpA's 1991 net profit from the previous year.

However, he refused to confirm estimates by some analysts that Fiat's earnings could fall by as much as 50 percent, from a consolidated net profit of 1.6 trillion lire ($1.27 billion) earned in 1990.

Mr. Agnelli told questioners that they would have to wait for the actual figures on Thursday when Fiat, which controls Fiat Auto, will release its first-half results. He said Fiat's economic health was better than that of other European manufacturers but noted that 1991 would remain a difficult year for Fiat, with the second half potentially even tougher than the first.

The Fiat chairman added that the crisis in the car market should touch bottom in 1992.

OIL: *Mexico Starts to Open Doors*

(Continued from first finance page)

glehold on Pemex contracts, was a business empire in its own right, with assets of more than $1 billion.

Perhaps most significant in a technology-intensive industry, Pemex's capital spending, which reached $6 billion in 1981, dwindled to $1 billion as the 1980s drew to a close. Mexico, with twice the reserves of the United States, was producing barely one-third the oil.

Upon taking office in December 1988, Mr. Salinas hinted that all of this would change. Weeks later, he sent soldiers to storm the home of a powerful oil-union chief and haul him off to jail.

Since 1988, Pemex has shrunk its labor force from 213,000 employees to 171,000. Yet such has been the momentum of economic change that when Mr. Salinas earlier this year closed a major refinery to curb pollution in Mexico City, some union officials even mumbled words of support.

Pemex officials say the company has cut its operating costs by 17 percent during the past five years, saving about $1 billion.

In hopes of streamlining Pemex's ponderous bureaucracy, executives are now at work on a sweeping reorganization.

The new petrochemical division has pioneered a more receptive stance on foreign participation, hiring foreign companies to build new plants and paying them from the factories' proceeds.

Last spring, Pemex for the first time contracted out an entire drilling job, paying a Houston-based company, Triton International Inc., an estimated $18 million for an exploratory well in the Gulf of Campeche. The contract was the first under a 1989 law that frees Pemex from the traditional requirement to use Mexican labor.

The 113 new wells that Pemex will have American companies drill and service in the Bay of Campeche, thanks to the Export-Import Bank guarantee announced last Thursday, are part of a five-year, $19 billion plan to expand exploration, production and refining.

The chief Mexico loan officer for the Export-Import Bank, Marian M. Hinchman, said in a telephone interview from Washington that Pemex was ultimately looking to secure as much as $5.8 billion in guarantees for 16 projects.

Mexico has worked out similar arrangements with 25 other national export-import banks, the company's top official, Francisco Rojas, said in an interview.

After eight years in which domestic demand stagnated and oil exploration and development were sharply curtailed, industry analysts say Pemex will have to invest heavily merely to meet Mexico's domestic energy needs. Gasoline consumption already is rising at an annual rate of more than 5 percent.

Pemex plans to increase its daily crude-oil production from 2.64 million barrels in 1990 to 3.1 million barrels by 1995. While domestic use is expected to rise from 1.36 million barrels a day to 1.7 million during the same period, exports are projected to grow by only about 120,000 barrels to 1.4 million a day.

METEORE
Fonds Communs de Placement
Siège social: 20, Boulevard Emmanuel Servais
L - 2535 Luxembourg

AVIS DE LIQUIDATION AUX PORTEURS DE PARTS

Le Conseil d'Administration de METEORE GESTION, société de gestion de fonds communs de placement METEORE, a décidé lors de sa réunion du 18 septembre 1991, tenue par voie circulaire, de mettre fin aux opérations du fonds et de procéder à la liquidation.

Conformément à l'article 17 du règlement de gestion, l'émission et le rachat des parts sont arrêtés à partir du 18 septembre 1991.

En sa réunion du 20 septembre 1991, le conseil d'administration de METEORE GESTION a décidé de la procédure de cette liquidation. Il est prévu de rembourser aux participants la valeur nette de liquidation qui sera déterminée par la société de gestion.

Le remboursement sera effectué pour les certificats au porteur de parts moyennant remise des certificats à l'agent payeur, Banque de Gestion Edmond de Rothschild Luxembourg S.A., 20, Boulevard Emmanuel Servais, Luxembourg ou sera expédié pour les certificats nominatifs de parts à l'adresse figurant dans le registre des parts.

Les sommes qui n'auront pas été distribuées lors de la clôture des opérations de liquidation seront déposées à la "Caisse des Consignations" à Luxembourg au profit des ayants droits.

Par ordre du Conseil d'Administration de METEORE GESTION.

PACIFIC HORIZON INVESTMENT FUND
Collective Investment Fund
Registered office: 20, Boulevard Emmanuel Servais
L - 2535 Luxembourg

NOTICE OF LIQUIDATION TO SHAREHOLDERS

The Board of Directors of PACIFIC HORIZON INVESTMENT FUND GESTION S.A., the management company of the collective investment fund PACIFIC HORIZON INVESTMENT FUND, resolved in its Meeting of the Board held on September 18th, 1991 by way of circular, to complete the operations of the Fund and to proceed to its liquidation.

In accordance with Article 17 of the Management Regulations, both the issue and the purchase of shares are prohibited as from September 18th, 1991.

The Board of Directors of PACIFIC HORIZON INVESTMENT FUND GESTION S.A. resolved in its Meeting of September 20th, 1991 upon the procedure of the liquidation, and decided to redeem to shareholders the net liquidation value as shall be determined by the management company.

Said redemption shall be carried out, as regards bearer certificates, against delivery of said certificates to the paying agent, Banque de Gestion Edmond de Rothschild Luxembourg S.A., 20, Boulevard Emmanuel Servais, Luxembourg and shall be effected as regards registered certificates, by mail and at the address entered in the register of shares.

All sums failing to be distributed at the close of the liquidation shall be deposited with the "Caisse des Consignations" in Luxembourg for the benefit of the beneficiaries.

Made as directed by the Board of Directors of PACIFIC HORIZON INVESTMENT FUND GESTION S.A.

AT&T Urges High-Tech Sales to Soviets

By Stuart Auerbach
Washington Post Service

WASHINGTON — Is the Soviet Union's antiquated telephone system hampering its transition to democracy? AT&T thinks it is, and wants to do something about it.

America's biggest telecommunications firm told a House hearing Tuesday that the Bush administration's restrictions on the sale of advanced telecommunications equipment to Moscow were costing U.S. companies business as well as hindering Soviet progress toward democratic change and a free-market economy.

An AT&T vice president, Carleton S. Fiorina, said improved communications were "a catalyst for democratic reform and economic revitalization" for the Soviet Union and that "the reasons to control communications technology are melting away."

But administration witnesses told the House Foreign Affairs subcommittee on international economic policy that it remained a matter of national security to keep the Soviets from obtaining the most advanced telecommunications equipment, including fiber-optic cables that AT&T wants to sell to Moscow.

While the United States' allies for now are maintaining restrictions imposed before the Soviet Union's dramatic shift toward democratic government, Mr. Fiorina said, "The governments of our foreign competitors are establishing financing programs to ensure that a new Soviet telephone network will be built with French, German and Japanese equipment."

"Meanwhile, U.S. government policy remains focused almost exclusively on restricting Soviet access to basic telephone technology," she said. "Taken together, these events create the Soviet perception that American firms will be the last, not the first, to enter the market."

For the first time, an administration official, the deputy assistant secretary of state Christopher G. Hankin, said publicly that the national security concerns revolved around intelligence and the National Security Agency's ability to eavesdrop more easily on the present, antiquated Soviet telecommunications network than it could on a fiber-optic system.

"Our intelligence capability requires us to block some things that could be very helpful for the Soviets," said Mr. Hankin.

"Concerns about fiber optics are a house of cards," replied Representative Sam Gejdenson, Democrat of Connecticut, who said he received a classified briefing on the subject that was full of "secret stuff that ought not be secret."

Mr. Gejdenson, chairman of the subcommittee, said the ability of pro-democracy forces "to communicate with each other and with the outside world, by telephone and by fax machine was a critical element" in defeating last month's hard-line Communist coup.

Further, he noted that the United States licensed the sale of more sophisticated telecommunications gear to "the hard-line communists in China than we allow to those in the Soviet Union who have ousted the Communist Party."

Cellular System Boosts Capacity of Networks

New York Times Service

NEW YORK — Motorola Inc. said Tuesday that it would offer a new radio-transmission technology that triples the capacity of a cellular telephone network.

Motorola officials said the new system, which they called Narrow-Band Advanced Mobile Phone Service, splits a standard cellular channel into three and uses new signal techniques to eliminate interference.

That, they said, allows cellular services to increase their capacity more cheaply than by switching to new digital-transmission technologies. As the number of cellular customers has climbed to more than five million, subscribers have experienced problems completing calls during times of heavy use.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
47¾	22½	Texinst	.72	2.5	–	1393	29¼	29	29¼	–
30½	28½	Texinst pf				469	30¾	29¾	30	– ⅛
28	19¾	TxPac	.40a	1.9	24	24	21¾	21⅛	21⅛	– ⅛
39	32⅛	TexUtil	3.00	7.9	11	3808	38⅛	37⅞	38⅛	+ ⅛
7⅞	3⅝	Textfi				257	5	4¾	4¾	– ¼
10¼	9½	Textfi pf	1.00	10.3		5	9¾	9⅝	9¾	
35⅝	19½	Textron	1.00	2.8	11	885	35⅞	35⅝	35⅝	– ½
74½	44½	Textr pf	2.08	2.7		2u	77¼	77¼	77¼	+1
6¼	4½	Thack				20	5⅜	5½	5⅜	– ⅛
11¼	6¾	ThaiCF	.28e	3.4		54	8¼	8⅛	8⅛	– ⅛
22¾	14¼	Thai	1.89e	11.2		116	17	16¾	16⅞	– ⅛
40¾	21¾	ThrmEl			22	461	39¾	39	39⅝	– ⅛
20	10½	Thiokl n	.36	1.8	7	820	20	19⅝	20	
60¾	40¾	ThmBet	2.24	4.2	21	74	53⅝	52¾	53¼	+ ⅛
14⅝	9¼	Thomin	.76	6.3	19	21	12⅛	12	12	– ⅛
12¾	7⅛	ThmAd	1.46	12.4	7	68	11⅞	11¾	11¾	– ⅛
11⅞	6¾	Therind	.12	1.1	95	189	11⅜	11¼	11⅜	+ ⅛
21⅝	11	Tidwtr			13	454	15½	15⅛	15¼	
57½	27½	Tiffany	.28	.6	21	718	49½	48¼	48½	–1⅛
10½	5	TimbCo			14	44	8	7¾	8	+ ⅛
125	66⅛	TimeW	1.00	1.2	–	6737	82⅝	81¼	82½	+1¼
46⅝	29½	TmW pfC	4.38	10.4	–	1113	42½	42¼	42⅜	+ ⅛
48⅝	25¾	TmW pfD	5.50	11.7	–	1368	47	46⅞	47	+ ⅛
32¾	21¾	TmMir	1.08	3.5	28	572	31	30½	30⅝	– ⅛
30	20	Timken	1.00	3.8	30	307	27½	26⅝	26¾	– ⅛
3⅝	1⅜	Titan			15	37	3	2⅞	2⅞	
10⅛	7⅝	Titan pf	1.00	10.4		1	9⅝	9⅝	9⅝	+ ¼
6¾	4	TodS n			7	98	5¼	5	5	– ¼
15⅞	9¾	Tokhem	.56	5.0		207	11⅛	11	11⅛	– ¼
28½	25⅝	TolEd pf	2.81	10.3		22	27⅜	27¼	27⅜	
25⅝	22½	TolEd pf	2.47e	10.0		34	25	24¾	24⅞	– ¾
24⅜	20⅝	TolE adpf	2.36e	9.6		7	23⅞	23⅝	23⅝	– ¼
26⅞	22⅞	TolEd pf	2.36	8.7		2u	27⅛	27⅛	27⅛	+ ⅜
25	21	TolEd pf	2.21	9.1		39	24¼	24⅛	24⅛	– ⅛
8⅝	2¼	TollBro			160	310	8⅛	8	8	
59½	31	ToolRl	.26	.5	24	6	57	56½	57	+ ⅜
58⅝	38	Trchmk	1.60	3.2	11	286	50⅜	49¾	49¾	–1
87½	70	Trch pf	7.66e	8.8		8	87⅛	87⅛	87⅛	+ ⅛
28½	11	Toro	.48	3.1	19	22	15⅝	15⅛	15⅛	– ⅛
25⅝	14½	Tosco	.60	2.8	4	915	21⅝	21¼	21¼	– ⅜
59½	52½	Tosco pf	4.37	7.6		41	58	57⅝	57⅝	– ⅛
34⅜	25¾	TotlSys	.28e	1.1	30	60	25¾d	25	25⅛	– ⅝
36	39¾	ToyRU			31	4469	33⅝	33⅛	33⅛	– ⅜
4⅝	2	Tramel	.51e	19.4		14	2⅝	2⅝	2⅝	– ⅛
11⅞	2	TWA pf				145	2¾	2⅞	2⅝	– ⅜
15⅝	12⅞	TrCda g	.72	5.0		59	14⅜	14½	14⅜	– ¼
38⅞	23⅛	Transm	2.00	5.4	51	544	37⅛	37½	37¼	– ⅛
25⅝	20	Traninc	2.16	8.6		22	25⅛	25	25⅛	+ ¼
39⅛	18⅞	TrnsH	.20	.6	11	190	33¾	33⅛	33¼	– ½
47	18⅜	Transco	1.36	7.9	45	14528	19⅛	16⅞d	17⅛	–2
52¼	39⅞	Trnsc pf	4.75	11.9		172	40¾	40	40	– ¾
3⅝	1⅛	TranEx				402	1⅜	1⅛	1⅜	
1	⅛	Transcn				42	⅛	⅛	⅛	– ⅛
9⅛	4⅞	TrnsTec				32	7⅝	7¼	7⅛	– ¼
25⅝	11½	Travler	1.60	8.4		1602	19½	19	19	– ⅜
11	6⅛	Tredgr n	.24	3.0		59	8⅛	8	8⅛	+ ⅛
25	10	Tremnt s	.80	4.8		154	16⅞	16⅝	16⅞	
26⅜	20⅝	TriCon	2.40e	9.1		210	26⅜	26⅛	26⅜	
48⅝	31⅛	Tribune	.96	2.4	29	514	40⅝	40⅛	40⅛	+ ⅛
23⅛	17	Trimas			15	46	19⅞	19⅝	19⅝	+ ⅛
30⅝	15½	Trinty	.80	2.9	20	172	28⅛	27⅝	27⅞	– ⅛
27½	14⅞	Trinova	.68	3.1	33	648	22⅛	21¾	21¾	– ⅜
49⅝	4	TritEng			32	2741	42⅞	41¾	42⅛	+ ⅛
9¼	6½	Tultex	.36	4.4	15	738	8⅛	8⅛	8⅛	– ⅛
13¼	6⅝	Turksh	.07e	.9		2	7⅝	7⅝	7⅝	– ⅛
10⅝	3½	TucsEP				874	5⅛	5	5	– ⅛
25	9	20Cntn s	.42	2.1	9	477	20½	20⅛	20⅛	– ⅛
19⅝	14⅛	TwinDs	.70	4.7	27	7	14⅞	14⅞	14⅞	– ⅛
53	37⅜	TycoLb	.36	.9	15	1945	39⅝	39⅜	39⅝	+ ⅛
12	9⅛	TylrCbr	1.26	10.5		590	12	11⅞	12	
3⅛	2⅝	Tyler				65	2⅝	2⅝	2⅝	– ⅛
U-V										
161½	84¾	UAL Co			–	364	129⅝	127½	127½	–1⅝
15	5	UDC		.8	–	404	13	12⅞	13	+ ⅛
23½	11½	UDC pf		4.3	–	5	22⅝	22	22	–
22½	11⅛	UDC pf		4.3	–	30	21½	21	21	– ½
19⅝	15⅝	UGI	1.24	6.2	20	385u	20	19⅝	20	+ ⅛
16⅞	6½	UJB Fn	.60	4.1	–	737	14⅝	14⅝	14½	– ⅛
35⅝	24	UJB pf	3.51e	10.2	–	5	34½	34⅜	34½	+ ½
5⅝	2⅜	UNCInc			14	109	5⅝	5⅜	5⅝	
70⅝	32⅝	UNUM	1.04	1.7	10	714	61⅜	60⅝	60⅝	– ⅝
12½	2⅛	URS			–	233	9⅝	9	9⅝	+ ⅛
1	⅛	vlUSHm				86	⅛	⅛	⅛	
16	7	USShoe	.52	3.7	22	x2596	14¼	14⅛	14⅛	
49⅝	32⅝	USWest	2.08	5.9	11	9150	35⅝	34⅞	35	– ⅜
29⅝	6⅛	USFG	.20	2.8	–	2774	7⅛	7	7⅛	
38	26⅝	USFG pf	4.10	12.7	–	97	32⅛	31¾	32⅛	+ ⅛
52⅜	41⅞	USFG pf	C5.00	10.4	–	113	48	46⅝	48	+1⅜
2⅞	⅝	USG				92	1⅛	1⅛	1⅛	
21	14⅛	USLICO	1.00	5.6	10	100	18	18	18	+ ⅛
49¼	28	UST	1.32	2.7	23	1994	49⅛	48⅝	48⅝	+ ⅛
50	46	USX pf	4.64e	9.6	–	11	48⅝	48⅛	48¼	– ⅛
33	22⅛	USXMar	n1.40	4.4	19	19981	32⅛	30⅝	31⅛	– ⅝
29⅝	20	USXUSS	n1.00	3.7	–	2628	28⅛	27⅛	27¼	–1⅛
6⅛	1⅜	Ultmte			–	90	3	2⅞	2⅞	
21⅛	10⅛	UniCre s			–	947	10	9⅞	10	– ⅜
44	12⅞	Unifi	.60	1.4	22	197	43⅝	43⅛	43½	– ⅛
22⅝	13⅝	UniFst	.12	.8	12	71	16	15½	15⅝	+ ⅛
92⅞	73¾	UniNV	2.82e	3.4	11	2045	83⅞	83	83⅝	
57¼	44⅜	Unilevr	1.72e	3.3	11	253	53	52⅝	52⅝	– ⅛
47⅝	30½	UnCmp	1.56	3.5	17	1050	44⅝	44⅛	44⅛	– ⅛
22⅝	14⅝	UCarb	1.00	4.5	13	15933u	22⅝	21⅞	22⅛	+ ⅛
27	17⅜	UnionC			18	109	22⅝	22	22	– ⅝
33⅝	24⅝	UnElec	2.16	6.4	12	1373	33⅝	33⅛	33½	+ ⅛
55½	47⅛	UnEl pf	4.50	8.3	–	z50	54½	54½	54½	+ ½
93½	83	UEl pfL	8.00	8.7	–	z380	92⅝	92	92	+ ⅛
95⅛	61⅛	UnPac	2.72	2.9	15	2256	94⅝	93⅝	94⅛	–1⅛
47½	30⅝	UnPac wi				11u	47⅝	47⅜	47⅜	+ ⅛
15⅝	6½	UPInfr	.48	3.2	11	33	15⅝	15⅛	15⅛	– ⅛
24⅝	12⅝	UnTex	.20	1.0	17	176	19⅝	19⅝	19⅝	
5	1½	UnitedF			–	7	2	1⅞	2	+ ⅛
7⅛	1¼	Unisys			–	2387	3⅛	3	3	
22⅝	6	Unisys pf	1	8.1	–	399	11¾	11½	11½	– ⅛
4⅝	1⅜	Unit			38	39	2	2	2	
27	12⅝	UAM	.58	2.2	22	52	26⅝	26½	26⅝	+ ⅛
18⅜	12⅛	UDomR	1.24	6.7	51	40	18⅝	18½	18½	– ⅛
35⅝	28¼	UIllum	2.44	7.2	8	189	33⅝	33⅛	33⅛	– ⅛
26	22	UIllu pr	2.20	8.5	–	z200	25⅝	25⅝	25⅝	+ ⅛
11⅛	7⅝	UnitInd	.64	6.4	13	21	10	9⅞	10	+ ⅛
9⅝	2⅛	UnitInn			–	74	10	9⅞	10	– ⅛
20⅝	13½	UtdInv	.30	1.6	11	695	18⅝	17⅞	18⅛	+ ⅛
11⅝	8⅝	UKing	.80e	8.2	–	74	10	9⅞	9⅞	– ⅛
24½	10⅛	UsairG			–	6397	10⅛d	9⅞	10⅛	+ ⅛
57	38½	UsairG pf	4.37	11.3	–	57	38⅞d	37⅞	38⅝	+ ⅛
73⅝	23⅝	US Sur s	.30	.4	67	3361u	78	76	77⅝	+2⅛
51½	40⅛	UnTech	1.80	4.0	9	2977	45¼	45⅛	45½	– ⅛
51⅞	20⅝	Unitel s	1.00	4.0	16	5195	24⅝	24⅛	24⅝	+ ⅛
29⅝	22	UWR	.92	6.2	13	92	14⅝	14½	14½	
15⅛	10⅛	Unitrde			13	6	13⅛	13⅛	13⅛	– ⅛
17⅝	9⅝	Univar	.30	2.3	16	14	13⅝	13⅛	13⅛	– ⅛
50	22	UnvlCp	1.52	3.0	15	x1100u	52	51	51⅞	+2
40⅛	28⅛	UnvFd	.76	2.0	18	1406	37⅝	37⅛	37¼	+ ⅛
16⅝	10⅛	UnvHR	1.56	9.5	11	109	16⅝	16½	16½	
18⅜	6⅛	UnvHlt			13	112	15⅝	15⅛	15½	– ⅛
4½	1⅜	UMatch			–	8	⅝	⅝	⅝	– ⅛
3		UniMd s			–	47	3⅝	3⅛	3⅛	– ⅛
14⅝	9⅝	UnoRst			28	115	11⅛	10⅝	11	+ ⅛
34	21⅝	Unocal	.70	2.8	24	2932	25	24⅝	24⅝	– ⅛
14⅝	9⅛	UnocEx	.40	3.8	19	63	10⅝	10⅛	10⅝	
49⅝	33	Upjohn	1.36	2.9	18	27397	47⅝	44⅝	47⅛	+3⅛
9⅛	2⅛	Urcarc			–	2691	4⅛	3⅞	3⅞	– ⅛
42⅝	21⅛	USLIFE	1.64	4.0	9	39	40⅝	40½	40½	– ⅛
9⅞	8¼	UsifeF	.93a	10.4	–	74	9⅜	9⅞	9⅞	
26⅛	17½	UtilCo	1.52	5.9	12	276	25⅝	25⅛	25⅝	+ ⅛
30⅝	25⅝	UtilCo pr	2.61	8.8	–	5	29⅝	29⅛	29⅝	+ ⅛
25⅝	19⅝	UtilCo pr	1.77	7.1	–	6	25⅝	25	25	
25⅝	11⅛	VF Co	1.00	2.9	22	290	34⅝	34½	34⅝	+ ⅛
26⅛	14⅛	Valero	.34	1.4	10	542	24⅝	24⅛	24⅛	– ⅛
30⅛	26⅝	Valer pf	3.44	11.7	–	5	29	29	29	
17½	10⅛	ValNG	2.50	21.7	4	492	11⅝	11½	11½	– ⅛
9⅛	4⅛	Valhi	.20	2.7	18	1430	7⅝	7⅛	7⅛	
1⅛	⅛	Valeyin				100	⅛	⅛	⅛	+ ⅛
28⅛	17⅝	ValueC n			–	39	26⅛	26⅛	26⅛	
15⅝	7⅛	VanDrn	.60	4.3	–	32	14⅛	14	14⅛	– ⅛
12½	10⅝	VKMI n	.90	7.6	–	37	12	11⅞	11⅞	– ⅛
11⅛	9⅛	VKMT	.84	13.7	–	271	6⅛	6	6⅛	
7⅝	6⅝	VKML	.96	13.5	–	49	7⅛	7	7⅛	
27⅛	23⅝	VKmL pf	2.37	9.0	–	4	26⅝	26⅝	26⅝	– ⅛
10½	8⅛	VKmpM	.78	7.4	–	429	10½	10⅛	10½	+ ⅛
12½	6⅛	Varco			17	1363	11⅝	11⅛	11⅛	– ⅛
50⅛	23⅝	Varian	.32	1.0	11	2268	34⅝	32⅝	33	–1⅝
21	14⅛	Varity pf	1.30	7.5	–	80	17⅝	17⅛	17⅛	+ ⅛
30	14⅛	Varity s			–	188	21⅛	20⅝	21	
27⅛	4	VendSI	.54	2.7	9	8516	21⅛	18⅛	19⅛	–1⅝
14½	12⅝	VestSe	1.20a	8.5	12	30	14⅛	14⅛	14⅛	+ ⅛
17⅝	2⅜	Viacro n			9	177	16⅝	16⅛	16⅛	– ⅛
10⅜	5⅝	VinPt n			11	4	6¼	6⅛	6⅛	– ⅛
94	81	VaEP pf	7.72	8.3	–	z4000	93⅝	93½	93½	– ⅛
93⅝	81⅛	VaEP pfJ	7.72	8.3	–	z30	93	92½	92⅝	–1⅛
88	75½	VaEP pf	7.20	8.3	–	z200	87	87	87	+ ⅛
22⅝	9½	Vishay	.97t	5.1	12	428	19⅝	19	19	– ⅛
12⅝	7⅛	VistaRs			–	5	10	10	10	+ ⅛
25⅝	11½	Vivra			22	155	23⅝	23⅛	23⅛	– ⅛
73½	42⅝	Vodfne	1.39e	2.1	22	617	68⅛	67⅛	67⅛	+ ⅛
66	66⅝	Vodfne wi				9u	67½	67	67	+1
3⅛	1⅛	VolCC			–	30	2⅝	2⅝	2⅝	+ ⅛
34⅛	14⅝	Vons			16	1143	25⅝	24⅝	25	– ⅛
30⅝	20	Vornad s	.40f	1.4	77	151	27⅝	27⅛	27⅛	
40	29⅝	VulcM	1.20	3.1	17	121	39	38⅝	38⅝	+ ⅛
W										
24	18⅛	WICOR	1.48	6.2	23	142	24	23⅝	23⅝	– ⅛
18⅝	3⅛	WMS			19	453	18½	18	18	– ⅛
29	20½	WPL H s	1.80	6.2	13	91	29	28⅝	29	
34⅝	4⅝	Wabon			29	2247	24⅛	22⅛	24	+1⅛
77	59	WabR pf	4.50	6.0	–	210	75	75	75	
60	32⅝	Wachovia	1.84	3.2	13	1181	58	57⅝	58	+ ⅛
33⅛	18⅛	Wackht	.60	2.4	13	4	24⅝	24⅝	24⅝	
14⅝	6⅛	Wahlco			–	30	13⅛	13⅛	13½	– ⅛
10⅛	4½	Walnoc				605	5⅝	5⅝	5⅝	
51⅝	24⅝	WalMt	.17	.4	40	18959	49⅝	47⅛	47⅝	–1⅝
35⅝	21⅝	Walgrn s	.46	1.4	21	2784	32½	31⅝	32⅛	– ⅛
27⅛	15⅝	WalCS	.50	2.4	13	792	21⅛	20⅝	20⅝	– ⅛
6⅛	2⅝	WrnCol			–	324	6⅛	5⅝	5⅝	– ⅛
82⅛	56½	WarnL s	1.76	2.5	18	3118	71⅝	70½	71	– ⅛
32⅝	26⅛	WashGs	2.10	6.5	13	415	32½	32⅛	32½	+ ½
18	9⅝	WshNat	1.08	7.2	–	11	15⅛	15	15	– ⅛
251	167	WshPst	4.20	2.0	20	361	213	212	212⅛	+ ⅛
32⅝	26⅛	WshWt	2.48	7.9	10	461	31½	31⅛	31⅛	+ ⅛
44⅝	28⅝	Waste	.44	1.2	23	8621	36⅝	35⅝	36	– ⅛
19½	10⅝	WatkJn	.48	4.0	8	47	12	11⅝	11⅝	– ⅛
6⅛	3	Waxmn	.12	3.0	8	283	4⅛	4	4	+ ⅛
3⅛	1½	WeanU			2	24	1⅝	1⅝	1⅝	
7⅝	2½	Wean pf			–	10	3⅛	3⅛	3⅛	
13½	5	WebbD	.15e	1.1	18	2586u	14	13⅛	13⅛	
1⅛	⅛	vlWeda				91	⅛	⅛	⅛	
30⅝	22½	WeinRl	1.92	6.7	28	298	29⅛	28⅝	28⅝	– ⅛
7½	3⅛	Weirt			–	57	3⅝	3⅝	3⅝	
34⅛	24⅛	WeisMk	.64	2.2	15	23	29⅝	29⅛	29⅛	– ⅛
29	12⅝	Wellmn	.12	.5	13	1532	24	23⅝	23⅝	– ⅛
98⅛	41⅝	WellsF	4.00	5.4	8	4916	75⅝	74⅛	74⅛	–1
36⅛	28	WelF pf	3.13e	8.9	–	107	35⅛	35⅛	35⅛	
37⅜	27⅝	WelF pf	3.34e	9.2	–	28	36⅝	36	36⅝	+ ⅛
11	5⅝	Wendys	.24	2.8	19	4404	8⅝	8½	8⅝	
17⅝	10½	Westl	.40	2.5	73	141	16⅝	16⅛	16⅛	– ⅛
54½	49⅝	WPen pf	4.50	8.3	–	z520	54½	54	54	–1½
42⅝	19⅝	WPIPe			–	1	27½	27½	27½	
19⅝	6	WCNA			–	1813	6½	6	6⅛	
6⅝	2⅝	WDigitl			68	1019	2⅝	2⅝	2⅝	+ ⅛
17	9	WstGR n	.05e	.3	15	15	15	15	15	
17½	11⅛	WstMn	.73e	4.9	10	29	15½	15⅛	15⅛	– ⅛
22½	14⅝	WnWste			21	471	16⅝	16	16	+ ⅛
31⅝	21⅛	WstgE s	1.40	6.2	250	5968	22⅝	22⅛	22⅛	– ⅛
19½	11½	Westpc	1.64e	9.0	7	15	18⅛	18⅛	18⅛	– ⅛
26½	17	Wstpc pf	3.00a	11.5	–	48	26⅛	26	26	– ⅛
37⅝	22	Wstvco	1.10	3.0	18	438	37⅝	36⅝	36⅝	– ⅛
47⅝	17⅝	Weyerh	1.20	4.2	18	2570	28⅝	28½	28½	– ⅛
30⅝	15⅛	WhlTch s			26	187	27⅛	26⅝	26⅝	– ⅛
8⅝	5⅛	WhlPlt			–	68	6⅛	6⅛	6⅛	– ⅛
3⅛	2⅛	WhlPlt wt			–	5	3	3	3	+ ⅛
37⅝	17½	Whirpl	1.10	2.8	22	3278u	40⅝	38⅝	39⅝	+1⅛
19⅛	9⅛	Whiteh			16	12	11⅝	11⅝	11⅝	– ⅛
14⅛	6⅛	Whitmn	.24	1.9	–	3434	12⅝	12⅛	12⅝	+ ⅛
20⅝	7⅛	Whitk n			11	1596	20⅝	19⅝	20	+ ⅛
10⅛	5½	WlcxG	.10	1.3	30	16	7⅝	7⅛	7⅝	– ⅛
36⅛	25⅛	Williams	1.40	4.0	18	415	35	34⅝	35	
54½	40⅛	Wilm pf	3.87	7.4	–	103	52⅛	51⅝	52	– ⅛
29⅝	17⅝	WilCor n	1.17e	4.5	19	20	26	26	26	– ⅛
7⅛	3⅝	WilshrO	.20t	2.9	58	6	7	6⅝	6⅝	– ⅛
6⅝	2⅛	Windmr			–	490	3½	3	3½	
41⅝	29	WinDx s	1.20	3.3	16	636	36⅝	36	36	– ⅛
3⅛	2⅛	Winnbg			–	191	3⅛	3⅛	3⅛	+ ⅛
35⅛	26⅝	WiscEn	1.86	5.2	13	321u	35⅝	35⅛	35⅛	+ ⅛
25⅝	20	WiscPS	1.70	6.6	13	79	26⅛	25⅝	25⅝	
44	21⅛	Witco	1.84	4.8	14	190	38⅝	38⅛	38⅛	
13	6⅝	WolvrW	.16	1.4	–	4402	11⅝	11⅝	11⅝	– ⅛
36⅝	22⅝	Wolwth	1.08	3.8	14	2513	29⅛	28⅝	28⅝	– ⅛
18⅝	7⅛	WrldCp			15	1098	9⅝	9⅛	9⅛	– ⅛
15	11½	WrldVl	.33e	2.4	–	97	14	13⅝	13⅝	– ⅛
65⅝	44⅛	Wrigley	1.00a	1.6	19	80	62⅝	62⅛	62⅛	– ⅛
17	8⅝	WyleLb	.28	2.3	10	513	12⅝	12	12	+ ⅛
19⅛	13⅛	Wynns	.60	3.5	13	10	17⅛	17⅛	17⅛	
X-Y-Z										
60⅝	29	Xerox	3.00	4.9	11	4649u	62⅝	60½	61½	+1
24⅝	13	XTRA	.72	3.0	–	73	24⅝	23⅝	24⅛	+ ⅛
21½	12½	XTRA pf	1.94	9.1	–	79	21⅝	21⅛	21⅛	
25⅝	21½	YanEnS	1.60	6.4	12	59u	25½	25	25	– ⅛
1½	⅛	Zapata			–	545	⅛	⅛	⅛	– ⅛
6⅛	3	Zemex			–	2	5	5	5	
9⅝	4	ZenithE			–	674	5⅝	5½	5⅝	
18⅝	9⅝	ZenNtl	1.00	6.5	–	11	15⅝	15⅛	15⅛	– ⅛
6⅛	4⅛	Zenix	.84	13.4	–	186	6⅛	6⅛	6⅛	
15⅝	9⅝	Zero	.40	2.8	21	26	14⅝	14⅛	14⅛	
41⅝	27⅝	Zurnin	.88	2.7	12	2913	34	32⅝	32⅝	–1⅛
13½	10⅛	Zweig	1.09e	9.0	–	480	12⅛	12⅝	12⅝	– ⅛
10⅛	7⅝	ZweigTl	.96	9.5	–	1140	10⅛	10	10⅛	

AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

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EC Threatens Japan With Sanctions To Get Port Tax Refund for Shippers

Agence France-Presse

TOKYO — The EC Commission is threatening trade sanctions against Japan unless it lifts a port tax and pays back several million dollars that European shipping companies have handed over since 1984, European sources said here Wednesday.

The Commission argued that the imposition of the tax in Japanese ports, which fills the coffers of a Harbor Management Fund, was a protectionist move that hurt European interests and contravened the regulations of the General Agreement on Tariffs and Trade, the sources said.

The conclusions were carried in a confidential note outlining the findings of a seven-month investigation — requested by European shipping firms — into the controversial tax.

Preferring to hold off on trade reprisals until negotiations have been held with Japanese authorities, the Commission plans to demand that the tax be lifted from March 31, 1992.

If the 12 member countries of the European Community agree, the Commission will also demand guarantees that the tax will not reappear in a different guise and that the sums already levied under the tax be returned to European firms or, at the very least, be used for their direct benefit.

The tax, imposed in 1984 by the Japan Harbor Transport Association, is officially aimed at ensuring a stable and regular supply of port labor and at aiding the renovation and modernization of Japan's import distribution system.

The Commission, however, contends that the money "extorted" from European shipping firms is not used for the improvement of port facilities.

It also views the tax as discriminatory because Japanese vessels only pay one-fifth of the amount. According to the confidential report, such practices contravene GATT regulations and international law.

The Commission accuses the Japanese Transport Ministry of covering up the practices and even encouraging them, while the government, which sees the tax as a private-sector matter, refuses to accept responsibility.

According to the Commission, European shipping companies have paid some 5.5 million European Currency Units ($6.7 million) in taxes between October 1989 and April 1991, comprising 10 percent of the Japan Harbor Transport Association's revenue.

The United States began a similar investigation in April last year, but called it off two months later, believing it had received sufficient assurances that the tax would be abolished in April 1992.

The Commission, however, was not satisfied and wanted reparations, the sources said.

Japan Banks Cut Long-Term Prime Rate

Agence France-Presse

TOKYO — Japan's three long-term banks decided Wednesday to cut their long-term prime lending rate by 0.6 of a percentage point to 6.9 percent, effective Oct. 1, banking sources said.

The lowering of the rate, which is charged on loans for more than a year to the most creditworthy clients, will follow a 0.2 percentage point cut earlier this month and a 0.23-point drop in August.

The banks are Long-Term Credit Bank of Japan Ltd., Nippon Credit Bank Ltd. and Industrial Bank of Japan Ltd.

Also Wednesday, Sanwa Bank Ltd. cut its short-term prime rate by 0.375 of a percentage point to 7 percent.

Other major Japanese banks were expected to follow suit.

New Zealand Cuts Rates As Inflation Shrivels

Compiled by Our Staff From Dispatches

WELLINGTON — The central bank announced Wednesday that it was easing monetary policy, sending interest rates and the New Zealand dollar tumbling.

The Reserve Bank of New Zealand made the move because inflation was falling so fast that targets were about to be met too quickly, said the bank's deputy governor, Peter Nicholl.

"There's no advantage in getting inflation down too soon," he said.

Reserve Bank Governor Don Brash said monetary policy would be eased by pumping an extra 5 million New Zealand dollars ($2.9 million) into the bank's daily settlement cash target beginning Wednesday, bringing the daily target to 20 million dollars.

Following the announcement, the New Zealand dollar lost one U.S. cent to stand at 57.45 U.S. cents, after an opening 58.45.

The New Zealand Stock Exchange's capital index quickly rose to 1,397.57 points, after Tuesday's close of 1,373.97. Ninety-day interest rates fell by 60 basis points, to 8.25 percent.

An opinion poll published this week shows the New Zealand Conservative government's popularity at its lowest since it took office 11 months ago.

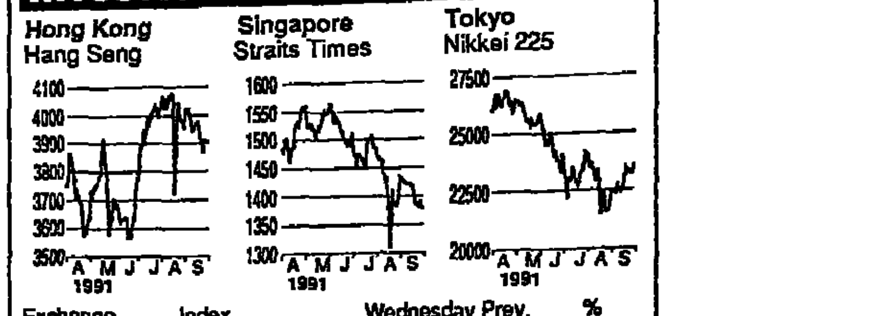
Harsh economic policy is blamed by most New Zealanders for the unpopularity.

"The bank now believes there is a good chance that underlying inflation will fall to around 2 percent this year," said Mr. Brash, "into a range of 1 to 1.5 percent next year."

Both of these outcomes would be below the bottom end of indicative inflation ranges."

He said it appeared that spending in the New Zealand economy was running at a lower level than forecast. (Reuters, AFP)

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3,901.95	3,904.19	-0.06
Singapore	Straits Times	1,377.46	1,381.24	-0.27
Sydney	All Ordinaries	1,562.00	1,555.50	+0.42
Tokyo	Nikkei 225	23,577.42	23,333.70	+1.04
Kuala Lumpur	Composite	523.08	521.03	+0.39
Bangkok	SET	691.88	695.24	-0.48
Seoul	Composite Stock	680.30	683.93	-0.53
Taipei	Weighted Price	4,790.68	4,814.19	-0.49
Manila	Composite	973.67	966.59	+0.73
Jakarta	Stock Index	258.21	253.82	+1.73
New Zealand	NZSE-40	1,400.18	1,373.97	+1.91
Bombay	National Index	872.36	870.02	+0.27

Sources: Reuters, AFP — International Herald Tribune

In U.S., Charges of Japanese Sales Bias

By Andrew Pollack
New York Times Service

SAN FRANCISCO — A government report issued Tuesday says U.S. electronics companies frequently report difficulties in buying the most advanced components and manufacturing equipment from Japan. Such difficulties could seriously undermine the American companies' competitiveness.

The report, by the General Accounting Office, the auditing arm of Congress, said 22 of 61 American companies it interviewed reported that in at least one instance, Japanese suppliers had refused to sell advanced components or machines that were on sale in Japan, or had delayed deliveries by six months or longer.

There was no immediate response on the report from Japan. None of the companies, American or Japanese, were identified.

But a representative of one Japanese supplier dismissed the report as a compilation of unsubstantiated charges.

"It contains very broad and vague allegations with some anecdotes sprinkled within," said David A. Huchital, chief operating officer of Nikon Precision, in Belmont, California, a subsidiary of Nikon Corp., which makes wafer steppers.

Some of the American companies surveyed said that delays in getting components like flat screens for laptop computers or wafer steppers used in making computer chips caused them to fall behind in the technology race, and three companies said they were unable to manufacture certain products.

Some American companies said delays in getting components caused them to fall behind in the technology race.

One company said it lost an estimated $1.4 billion in sales, and a small computer company said it was "essentially out of business" because it could not obtain high-quality screens for laptop computers.

The report is the first to try to quantify what many American executives have suspected — that Japanese companies supply other Japanese companies first. Japanese corporations deny that they discriminate against American customers.

The GAO stops short of saying that Japanese companies deliberately discriminate. It recited the claims of Americans but said it could not verify the claims itself.

Moreover, the report says that the American executives interviewed generally said they did not think that the practices were illegal or that punishment was required.

The report comes against a backdrop of growing concern among some U.S. executives over their dependence on Japanese rivals for components like memory chips and flat-panel computer displays, as well as for wafer steppers and other chip-making equipment.

"Sadly, vulnerable U.S. semiconductor and computer makers are in the ludicrous position of relying on Japanese suppliers for the critical technology they need to compete with other Japanese firms," said Senator Lloyd Bentsen, Democrat of Texas.

GATT: China and Taiwan?

Agence France-Presse

BEIJING — In a change of position, China implicitly accepted Wednesday Taiwan's right to apply for independent admission to the General Agreement on Tariffs and Trade. Beijing's own application was blocked after its 1989 suppression of pro-democracy demonstrations.

The Ministry of Foreign Economic Relations and Trade deleted a sentence in its formal policy position that said the Taiwan authorities "have no right" to apply independently for GATT membership, a ministry official said.

Beijing wants Taiwan's application delayed until Beijing's is accepted, and then it wants Taiwan to be considered for membership only as "a separate customs area of China," the official said.

"We absolutely oppose making use of international economic organizations to create 'two Chinas' or 'one Taiwan, one China,'" he said.

China to Ease Rules on Border Trade

Agence France-Presse

HONG KONG — China plans to relax its trade policies to give more power to border cities to regulate their own trade with neighboring countries, the semi-official Hong Kong China News Agency reported on Wednesday.

The Chinese State Council will implement the new measures concerning local authorities bordering the Soviet Union, Vietnam and Burma, the report said.

The agency said the new measures could attract more investment and joint ventures by letting areas trade local goods directly.

Very briefly:

- **South Korea** will not be eligible for loans from the World Bank beginning in 1995, the Finance Ministry said.
- **Keycorp Ltd.**, of Australia, and Japan's **Hitachi Data Systems** say they will produce the first flat-panel computer screen operating as a free-standing monitor.
- **Inchcape Pacific Ltd.** said its after-tax profit rose 51 percent in the first half of this year, to 272 million Hong Kong dollars ($35 million).
- **Komatsu Ltd.**, an industrial machinery maker, and the trading house **Nittetsu Shoji Co.**, said they would set up a joint venture to begin market construction equipment in Sydney, starting Oct. 1.
- **C. Itoh & Co.**, Japan's third-biggest conglomerate, has signed a cooperation agreement with Algeria's state-owned **Sonatrach** to explore natural-gas deposits in Algeria, a company official said.
- **The Philippines'** sugar import quota in the U.S. may be reduced by 38 percent because of a forecast increase in U.S. sugar production next year, a spokesman for the Sugar Regulatory Administration said.
- **South Korea** will experience an economic slump next year with inflation hitting 12 percent and a current-account deficit of $5 billion, according to the First Economic Research Institute.
- **Toshiba Corp.** said it would begin marketing the world's first 4-megabit EEPROM, a memory chip that retains data even after its power is shut off, in April 1992 at a price of $50 per chip.
- **Nichimo**, Japan's fishing and marine trading house, is under official investigation after claims it broke New Zealand law by indirectly obtaining control of fish quotas, Fisheries Minister Doug Kidd said.

Reuters, AP, AFP, UPI

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INTERNATIONAL FUNDS — Sept. 25, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly

ABACUS FUNDS
w Abacus Fund Ltd $ 6.05
b Abacus Guart.Fd. Mar 94 $ 8.97
b Abacus Guart.Fd. July 95 $ 9.39
ABC INVESTMENT & SERVICES CO (B.C.)
m ABC Futures Fund Ltd $ 100.71
ABN BANK LD.88, P.O. Box 669, Amsterdam
w ABN-Aandelenfonds Fl 88.58
w ABN-Beleggingsfds Ned. Fl 61.58
w Aldollar $ 25.08
w Alremo Fl 186.60
w America-Fund $ 190.88
w Asian Tigers Fund $ 31.07
w Columbia Securities Fl 122.20
w LDC Risk Inv. Fund $ 1318.14
w Trans Europe Fund $ $ 41.78
w Trans Europe Fund Fl Fl 78.80
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 26.8503
b AIG Japan Fund $ 102.7825
b AIG South East Asia Fd. $ 104.9504
d High Life Fund Ecu 10.85
d UBZ Euro Optimizer Ecu 10.73
d UBZ Liquidity Fund $ $ 103.6185
d UBZ Liquidity Fund DM DM 103.8998
d UBZ Liquidity Fund Ecu Ecu 101.6167
d UBZ Liquidity Fund SF SF 102.4634
ALFRED BERG
d Alfred Berg Norden $ 138.01
Alfred Berg Sicav
d Global $ 133.82
d Germany $ 124.38
d Switzerland $ 92.43
d Netherlands $ 96.85
d North America $ 181.23
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 239.29
m Alpha Futures Fund Ltd $ 151.28
m Alpha Global Fund $ 672.71
m Alpha Hedge Fund $ 343.68
m Alpha Japan Spec. Hge Fd $ 250.08
m Alpha Neutral $ 100.74
m Alpha Pacific Fund Ltd $ 264.54
m Alpha Short Fund Ltd $ 92.59
m Alpha Spec. Situation Fd $ 314.83
m Alpha Tilbdale Fund $ 131.55
m Curran-Alpha Hlth Care Fd $ 320.09
w Helsei Japan Fund Y 13216.00
w Nicholas-Applegate Aurelia $ 171.24
m Nicholas-Applegate Hge Fd $ 126.86
ARRAL ASSOCIATES Ltd
w Arral American Quant Fd $ 10.29
w Arral Asian Fund $ 151.89
w Arral Int'l Hedge Fund $ 107.89
BA GATEWAY FUND
w Germany Fixed Income DM 104.14
w Belgium Fixed Income BF 11135.00
w US Dollar Fixed Income $ 115.64
w Int'l Portfolio A $ 103.21
w Int'l Portfolio B Ecu 106.10
w Japan Equity Y 10156.00
w Pacific Equity $ 94.14
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726414
w Int'l Equity Fund (Sicav) $ 10.99
w Int'l Bond Fund (Sicav) $ 12.49
w Dollar Zone Bd Fd (Sicav) $ 10.60
w Sterling Equity Fd (Sicav) £ 1.82
w Sterling Bd Fd (Sicav) £ 1.16
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.
b Eagle Fund LF 9517.00
b Government Secur. Fd $ 66.23
w Hispano Int'l Fund Ecu 11.61
w Leicom $ 1963.36
b Opportunities $ 965.50
b Optigest Curstitor Gen. DM 149.14
b Optigest Fixed Inc. DM 119.83
b Prifirst $ 526.85
b Prirap Fund DM 43.32
w Rente Plus BF 4856.00
f Select. Horizon FF FF 67214.33
b Star Convert. Fd Fl Fl 11514.00
b Star Convert. Fd US$ $ 105.07
d The Europe Japan Fund $ 9.34
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 99.28
m Galaxy Futures Fund Ltd $ 106.56
m Dual Futures Fd Cl A Units $ 109.54
m Dual Futures Fd Cl B Units $ 111.01
m Dual Futures Fd Cl C Units $ 103.58
m Dual Futures Fd Cl D Units $ 107.06
m Maxima Fut. Fd Ser. 1 Cl. A $ 98.13
m Maxima Fut. Fd Ser. 1 Cl. B $ 101.54
w IPNA-3 $ 507.00
w Asian Growth Fund $ 32.98
w ISA Japan Rec. Gr. Fund Y 938.00
w Pacific Gold $ 11.23
w Asian Income Fund $ 8.82
w Himalayan Fund $ 11.26
w Manila Fund $ 8.07
w Malacca Fund $ 11.16
w The Siam Fund $ 20.56
d Indosuez Hong Kong Fund $ 28.590
w Oriental Venture Trust $ 40.280
w Norm American Fund $ 34.245
d Singap & Malay Trust $ 12.715
w Pacific Trust HK$ 20.260
d Tasman Fund $ 4.500
d Japan Fund $ 14.155
w Managed Trust $ 18.335
d Japan Warrant Fund $ 2.27
d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 925.75
w Daiwa LCF Rothschild $ 1059.14
w Ecu d'Or Ecu 69.86
b Pri-Tech $ 1183.99
b Source Sicav $ 13.16
BANQUE SCANDINAVE EN SUISSE-GENEVE
w Intelbond Chf SF 78.49
w Intelsec Chf SF 149.15
w Swissfund Chf SF 101.52
w Universal Eurosec Ecu Ecu 99.52
w Universal Finnsec Global FM 114.98
w Universal Intelbond $ A $ 16.29
w Universal Intelbond $ B $ 16.29
w Universal Intelbond FF A FF 107.48
w Universal Intelbond FF B FF 117.52
w Universal Intelsec $ A $ 14.36
w Universal Intelsec $ B $ 14.54
BEARBULL
w BB Forex Ltd $ 1095.40
w BB Futures Ltd $ 1048.28
w BB Global BEF BF 978.00
w BB Global Ltd CHF SF 9.58
w BB Global Ltd FRF FF 100.17
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 230.51
w Interbelgion BF 57716.90
w Interecu Fund A Ecu 286.87
w Interecu Fund B Ecu 1106.14
INTER CASH
f France Capital FF 13312.59
f France Monetaire FF 12007.10
f France Securite FF 74052.05
f Inter Cash DM DM 2340.86
f Inter Cash Ecu Ecu 1559.22
f Inter Cash FRF FF 14310.39
f Inter Cash GBP £ 1238.70
f Inter Cash US$ $ 1147.58
f Inter Cash Yen Y 154646.00
INTER OPTIMUM
w BEF/LUF BF 80367.00
w Multidevises DM DM 2302.06
w US$ $ 1127.72
w FRF FF 73886.07
INTER STRATEGIE
w France FF 14245.18
w Europe du Nord $ 1859.78
w Europe du Centre DM 2110.04
w Europe du Sud Ecu 1005.16
w Japan Y 132702.00
w Amerique du Nord $ 1146.91
w Sud-Est Asiatique $ 843.83
BNP JERSEY
INTER CURRENCY
w DM DM 35.6673
w GBP £ 14.0430
w US$ $ 12.5728
INTER EQUITY
w Australia Class $ 10.47
w European Class $ 9.80
w French Offer $ 17.41
w North American Offer $ 12.53
w Pacific Offer $ 16.54
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.70
d Non-$ Money Market DM 25.43
d $ Bond $ 15.45
d Non-$ Bond DM 34.21
d European Equities $ 9.95
d Global Equity $ 17.93
d Global Bond $ 16.16
d Global Bond & Equity $ 15.69
d Pacific Equities $ 10.94
d Prec. Mets / Min. Secs. $ 5.18
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1219.21
w Fructilux Actions Fses FF 7337.84
d Fructilux Court Terme FF 6908.96
d Fructilux Oblig. Euro Ecu 1257.85
d Fructilux Oblig. Fses FF 6801.50
CALLANDER
w Callander Emer. Growth $ 140.74
w Callander F-Asset $ 98.37
w Callander F-Austria AS 1339.81
w Callander F-Spanish Pta 8579.00
w Callander Swiss Growth SF 130.10
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 97.84
w Capital Italia SA $ 36.86
CDC INTERNATIONAL
w CFI Court Terme FF 141634.46
w CFI Long Terme FF 1249630.61
CIC GROUP
d Oblicic Court Terme FF 13677.91
d Oblicic Monetaire FF 13632.04
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian $ $ 1185.22
d Citinvest Guardian Euro Ecu 1185.74
d Citinvest Mngd Growth $ 1243.95
d Citinvest Mngd Grth Euro Ecu 1111.70
d Citinvest Selector $ 976.24
d Citicurrencies US$ $ 1508.43
d Citicurrencies Managed $ 131.32
d Citicurrencies STG £ 134.59
d Citicurrencies DEM DM 117.98
d Citicurrencies YEN Y 11330.00
d Citiport N.A. Equity $ 199.45
d Citiport Japan Equity Y 5817.00
d Citiport UK Equity £ 118.00
d Citiport IAPEC $ 142.19
d Citiport Cont. Euro. Equity Ecu 134.07
d Citiport Eamec $ 86.26
d Citiport German DM 80.17
d Citiport Swiss SF 88.18
d Citiport French Equity FF 1156.11
d Citiport N.A. $ Bond $ 734.62
d Citiport Euro Bond Ecu 120.85
d Citiport Pacific Bond Y 11931.00
CITITRUST
w US $ Equities $ 233.28236
w US $ Bonds $ 14.49040
w US $ Money Market $ 14.47936
w Citiland $ 988.66677
w Citiperformance Ptfl A $ 10.09109
w Citiperformance Ptfl B $ 10.88131
m The Good Earth Fund $ 13.23961
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond : Dollar Med. Term $ 10.77 *
w Bond : Ecu Multicurr. Ecu 10.55 *
w Equity : United Kingdom £ 8.28 *
CREDIT AGRICOLE : MOSAIS
d Actions Int'l Diversifiees FF 107.15
d Actions Nord-Americaines $ 18.99
d Actions Japonaises Y 1995.58
d Actions Anglaises £ 12.41
d Actions Allemandes DM 22.96
d Actions Francaises FF 113.66
d Actions Esp. & Port. Pta 2538.33
d Actions Italiennes Lit 27796.47
d Actions Bassin Med. Ecu 17.78
d Actions Bassin Pacifique $ 14.78
d Actions Europeennes Ecu 16.00
d Actions Agro-Aliment. FF 111.90
d Actions Sect. Comm. FF 102.05
d Oblig Int'l Diversifiees FF 113.85
d Oblig Nord-Americaines $ 16.70
d Oblig Japonaises Y 2113.90
d Oblig Anglaises £ 11.14
d Oblig Allemandes DM 32.86
d Oblig Francaises FF 117.94
d Oblig Esp. & Port. Pta 2265.25
d Oblig Italiennes Lit 27289.98
d Oblig Europeennes Ecu 17.48
d Oblig Haut Rendement $ 17.88
d Oblig Int'l Div Sensib Red. FF 113.01
d Oblig Convert. Intern. FF 115.81
d Court Terme Ecu Ecu 17.59
d Court Terme US$ $ 16.23
d Court Terme FF FF 115.16
CREDIT COMMERCIAL de FRANCE
w CM Actibonds $ 38.17
w CM Global Growth $ 10.88
w Elysees Monetaire FF 71901.48
w Europe Prest. Fund A Ecu 9.47
w Europe Prest. Fund B Ecu 11.49
CREDIT SUISSE
d CSF Bonds SF 76.004
d Bond Valor Swf SF 96.445
d Bond Valor US-Dollar $ 120.880
d Bond Valor D-Mark DM 106.282
d Bond Valor Yen Y 9932.711
d Bond Valor £ Sterling £ 102.972
d Convert Valor Swf SF 142.127
d Convert Valor US-Dollar $ 191.399
d CSF International SF 129.466
d Actions Suisses SF 541.000
d Europa-Valor SF 210.266
d Energie-Valor SF 146.431
d Consec SF 572.217
d Ussec SF 727.774
d Pacific-Valor SF 135.142
d CS Gold Valor $ 110.871
d CS Tiger Fund $ 587.177
d CS Ecu Bond A Ecu 102.793
d CS Ecu Bond B Ecu 128.803
d CS Gulden Bond A Fl 98.485
d CS Gulden Bond B Fl 120.394
d CS Hispano Iberia Fd A Pta 23852.900
d CS Hispano Iberia Fd B Pta 24461.700
d CS Euro Finance Fd A DM 223.772
d CS Euro Finance Fd B DM 223.772
d CS Prime Bond A DM 91.981
d CS Prime Bond B DM 110.750
d CS Europa Bond A DM 232.197
d CS Europa Bond B DM 303.876
d CS Fixed I SF 7% 1/96 SF 105.326
d CS Fixed I DM 8% 1/96 DM 106.237
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 107.678
d CS Euro Blue Chips A DM 243.260
d CS Euro Blue Chips B DM 247.681
d CS Short-T. Bond $ A $ 104.721
d CS Short-T. Bond $ B $ 137.444
d CS Short-T. Bond DM A DM 98.547
d CS Short-T. Bond DM B DM 124.005
d CS Money Market Fd $ $ 1641.273
d CS Money Market Fd DM DM 1436.672
d CS Money Market Fd £ £ 1946.917
d CS Money Market Fd Yen Y 132245.440
d CS Money Market Fd C$ C$ 1119.976
d CS Money Market Fd Ecu Ecu 1112.798
d CS Oeko-Protec A DM 264.543
d CS North American Fd A/B $ 198.590
d CS UK Fund A/B £ 102.619
d CS France Fund A/B FF 1811.214
CSFB FUND MGMT Ltd (0481-713996)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 998.74
DIT INVESTMENT FFM
d Concentra + DM 45.27
d Int'l Rentenfond + DM 78.02
EBC TRUST CO. (Jersey) Ltd
1-3 Sale St, St Helier ; 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 24.050
d Income $ 15.934
INTERNATIONAL INCOME FUND
d Long Term $ 35.5419
d Short Term B (Accum) $ 0.4253
d Short Term B (Distr) $ 0.3031
ECU FUTURES PLC (44 71 225 3811)
d Ecu Plc Onego Fund £ 1.21
d Ecu Plc OB Fund £ 0.95
d Ecu Plc Rovden Fund £ 1.12
EQUIFLEX LIMITED
w Europe A Fl 10.72
w North America A Fl 10.79
EURO PACIFIC ADVISERS Ltd
w Meteore Y 107249.00
w Pacific Horizon Invt. Fd $ 2052.52
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 11.89
d Balanced Ptfl Unhedged $ 11.53
d Conv. Securities Ptfl $ 8.64
d Discovery Fund $ 18.87
d Dollars Saving Trust $ 198.27
d Far East Fund $ 70.77
d Fid. Amer. Assets $ 159.62
m Fid. Amer. Values III Com $ 99.24
m Fid. Amer. Values IV $ 128238.00
d Fid. Australia Fund $ 16.94
d Frontier Fund $ 29.47
d Global Ind Fund $ 15.72
d Global Selection Fund $ 13.48
d International Fund $ 15.82
d New Europe Fund $ 9.11
d Orient Fund $ 109.06
d Pacific Fund $ 323.60
d Special Growth Fund $ 35.12
d World Fund $ 77.98
FOXUS BANK A.S. 472 428 555
w Scantonds Int'l Growth Fd $ 1.51
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 112.18
w Gaia Hedge II $ 249.05
w Gaia Hedge III $ 50.73
w Gaia Swiss Franc Fd SF 102.32
m Gaia Guaranteed Cl. I $ 74.33
m Gaia Guaranteed Cl. II $ 77.99
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel : 41-1-2516640
d GAM (CH) Mondial SF 1293.00
d GAM (CH) Pacific SF 1955.00
d GAM (CH) America SF 1774.00
d GAM (CH) Europe SF 77.08
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 886.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.717
d Canadian Fund C$ 0.8711
d British Fund £ 2.450
d European Fund DM 5.578
d Eastern European Fd DM 4.012
d Asia Pacific Fund $ 2.092
d Japan Fund Y 596.4
d Australasian Fund $ 0.3400
d Global Resources Fund £ 0.7577
d Emerging Markets Fund £ 1.181
d International Growth £ 2.977
d Sterling Bond £ 1.080
d Ecu Bond Fund Ecu 0.9813
d International Bond $ 1.237
d Global Conv. Bond Fd $ 17.88
d US$ Deposit $ 1.828
d Sterling Deposit £ 1.808
d French Franc Deposit FF 10.47
d Swiss Franc Deposit SF 5.199
d DM Deposit DM 5.231
d Yen Deposit Y 579.4
d Austr. Dollar Deposit A$ 1.849
GARTMORE INDOSUEZ FUNDS 24/09/91
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.17
d Diverbond SF 2.58
d Dollar Bond $ 2.14
d European Bond Ecu 1.07
d French Franc Bond FF 10.11
d Global Bond $ 2.09
d Sterling Bond £ 0.92
EQUITY PORTFOLIOS
d Developing Markets $ 2.31
d Europe Ecu 1.11
d France FF 10.20
d Germany DM 4.70
d International $ 2.12
d Japan Y 273.00
d Natural Resources $ 2.05
d North America $ 2.28
d Pacific $ 2.21
d Singapore/Malaysia SG$ 4.90
d Switzerland SF 2.58
d United Kingdom £ 1.21
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.22
d Dollar Reserve $ 2.85
d French Franc Reserve FF 10.46
d Sterling Reserve £ 1.07
d Yen Reserve Y 268.00
GEFINOR FUNDS
London : 071-4994171, Geneva : 41-22355530
w East Investment Fund $ 792.74
w Scottish World Fund £ 214.3743
w State St. American $ 295.52
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 29.13
d Capital Rentinvest $ 150.07
d Rentinbel Distribution LF 9739.00
d Rentinbel Capitalization LF 12344.00
GENESEE FUND Ltd
w (B) Genesee Short $ 77.20
w (C) Genesee Opportunity $ 119.17
w (E) Genesee Balanced $ 105.49
GLOBAL ASSET MANAGEMENT
11 Athol St,Douglas,I.of Man 44-624-626037
w GAM Arbitrage Inc. $ 255.29
w GAM America Inc. $ 276.72
w GAM Australia Inc. $ 132.51
w GAM ASEAN Inc. $ 181.45
w GAM Boston Inc. $ 325.56
w GAM Selection Inc. $ 422.18
w GAM European Inc. $ 95.85
w GAM Europe Fund $ 79.37
w GAM Franc-Val Inc. SF 193.84
w GAM France Inc. FF 1517.57
w GAM Global Fund $ 106.27
w GAM High Yield Inc. $ 106.67
w GAM Hong Kong Inc. $ 249.67
w GAM International Inc. $ 335.08
w GAM Japan Inc. $ 651.13
w GAM North America Fund $ 128.27
w GAM Money Mkts $ $ 101.38
w GAM Money Mkts Fd £ £ 102.56
w GAM Money Mkts Fd SF SF 101.82
w GAM Money Mkts Fd DM DM 102.04
w GAM Money Mkts Fd Yen Y 10123.00
w GAM Mlti-Mgr Fd Inc Alloc $ 114.81
w GAM Mlti-Mgr Fd IncGenEq$ $ 116.23
w GAM Mlti-Mgr Fd Trading $ 115.76
w GAM Mlti-Mgr Deferred Cl $ $ 172.31
w GAM Pacific Basin Fund $ 132.72
w GAM Pacific Inc. $ 568.68
w GAM Restr. Fund Inc. $ 128.96
w GAM Singap-Malay Inc. $ 242.29
w GAM Swiss Fr Spec Bd Fd SF 97.98
w GAM Value Inc. $ 98.56
w GAM Worldwide Inc. $ 422.33
w GAM Tyche S.A. Class A $ 243.94
w GAM Univ. Spain Inc. SF 108.79
w GAM Univ. D-Mark Acc. DM 116.87
w GAM Univ. D-Mark Inc. DM 113.46
w GAM Univ. Dollar Acc. $ 108.32
w GAM Univ. Dollar Inc. $ 106.15
w GAM U.S. Inc. $ 204.48
w GAM Whitehorn Fund Inc. $ 162.62
w GAM UT Inc. $ 448.95
w GAM Bond Fd Inc. US Ord. $ 128.82
w GAM Bond Fd Inc. US Spe. $ 148.54
w GAM Bond Fd Inc. SF SF 82.61
w GAM Bond Fd Inc. Yen Y 12135.00
w GAM Bond Fd Inc. DM DM 94.21
w GAM Bond Fd Inc. £ £ 120.92
w GAM Sterling Spec. Bd Fd £ 116.65
w GSAM Composite Inc. $ 251.38
GT MANAGEMENT PLC (44 71 222 44 44)
d G.T. ASEAN Fund $ 40.56
d G.T. Asia Fund $ 19.30
d G.T. Australia Fund $ 26.85
d G.T. Berry Japan Fund $ 28.69
w G.T. Biotech/Health Fd $ 20.28
d G.T. Bond Fund $ 17.48
d G.T. Deutschland Fund $ 11.83
d G.T. Dollar Fund $ 22.72
w G.T. Emerging Mkts Fd $ 11.67 •
w G.T. Euro Small Co Fd $ 32.07
d G.T. Europe Fund $ 31.95
w G.T. Global Small Co Fd $ 77.38
d G.T. Hong Kong Fund $ 34.29
d G.T. Honshu Pathfinder $ 11.99
d G.T. Investment Fund $ 15.71
w G.T. Japan OTC Stocks Fd $ 11.21
w G.T. Japan Small Co Fd $ 15.38
w G.T. Korea Fund $ 6.59
w G.T. Latin America Fd $ 13.75
w G.T. Newly Ind Countr Fd $ 28.32
r G.T. Technology Fund $ 45.19
d G.T. UK Small Companies £ 7.21
w G.T. US Small Companies $ 16.90
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (Far East) SF 15.16
d CSF (Balanced) SF 40.52
d European Equity Fund DM 18.48
d Int'l Bond Fund $ 13.42
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.94
d ITF Fd (Technology) $ 16.12
d O'seas Fd (N. America) $ 50.63
IAM , 2 Bd. Royal LUXEMBOURG
d IAM Flagship Fund Ecu 77.48
w IAM Bonds Fd-France A FF 659.04
w IAM Bonds Fd-Allem. B DM 220.43
w IAM Bonds Fd-Japon C Y 11023.00
w IAM Bonds Fd Div. I FF 588.05
w IAM Europe Luxe Ecu 88.27
w IAM Europe du Sud Ecu 86.00
INTERSELEX GROUP
d Int. America Sicav $ 18.45
d Int. Belgo Sicav BF 2710.00
d Int. Europa Sicav LF 6318.00
d Int. Pacific Sicav $ 97.92
d Int. World Distr. Sicav $ 96.80
INVESCO MIM INT'L. POB 271, Jersey
Tel: 44 534 73114
d Income Plus Fund $ 2.5050
d Maximum Income Fund £ 1.0200 •
d Dollar Mngd Curr $ 14.9300
d Dollar Mngd Ptfl $ 2.2380
d Sterling Mngd Ptfl £ 1.7240
d Pioneer Markets £ 3.1330
d UK Growth £ 1.1950
d Gold & Prec. Metals $ 8.7870
d Sterling Mngd Curr £ 16.9600 •
d Japan Dollar Perf. Fund $ 3.8380
d Jersey Gilt £ 0.1855
d Okasan Global Strat $ 17.4200
d Asia Super Growth Fund $ 12.4780
d Nippon Warrant Fund $ 7.2800
d Asia Tiger Warrant $ 1.4800
d European Warrant $ 2.2300
d Gld. N.W. 1994 $ 8.2800
PREMIER SELECT FUNDS
d American Growth $ 5.0800
d American Enterprise $ 7.8700
d Asia Tiger Growth $ 5.2000
d Dollar Reserve $ 5.8900
d European Growth $ 4.7200
d European Enterprise $ 5.1500
d Global Emerging Markets $ 5.3800
d Global Growth $ 4.8600
d Nippon Enterprise $ 6.2900
d Nippon Growth $ 4.7700
d North American Warrant $ 6.2280
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 44.96
w Class B (Global Equity) $ 10.75
w Class C (Global Bond) $ 11.86
w Class D (Ecu Bond) Ecu 10.45
JARDINE FLEMING , GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 28.28
d JF Far East Wrnt Tr. $ 11.01
d JF Glbl Conv. Tr. $ 11.24
d JF Hong Kong Trust $ 92.37
d JF Japan Sm. Co Tr. Y 61442.00
d JF Japan Trust Y 16698.00
d JF Malaysia Trust $ 8.53
d JF Pacific Inc. Tr. $ 82.97
d JF Thailand Trust $ 11.04
JOHN GOVETT MANT (I.O.M.) LTD
Tel: 44.624 - 62 94 20
w Govett Man. Futures £ 13.06
w Govett $ Gear. Curr. $ 13.77
JULIUS BAER GROUP
d Baerbond SF 922.00
d Conbar SF 1693.00
d D-Mark Baer Bond Fund DM 986.00
d Dollar Baer Bond Fund $ 1165.00
d Emerging Europe Fund DM 109.70
d Equibaer America $ 2027.00
d Equibaer Europe SF 1506.00
d Europe Bond Fund Ecu 114.50
d Liquibaer $ 2861.00
d Multiadvisor Forex Fd $ 94316.00
d SFR - BAER SF 7807.00
d Stockbar SF 2043.00
d Swissbar SF 2078.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1519.42
b Int'l Guaranteed Fund $ 1053.28
b Stonehenge Ltd $ 1264.20
b The Gbl Asset Alloc Fd Ltd $ 893.99
b The Krieger Curr. Fd Ltd $ 935.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.10
d Emerging Asia Fund Ecu 1.64
d European Fund Ecu 1.82
d International Ecu 1.76
d Japanese Fund Ecu 1.69
d Konsallis World Fund FM 11.25
d North American Fund Ecu 2.25
d Pacific Fund Ecu 1.68
d Sicav Dollar Bond $ 1.84
d Sicav Intnl Bond Ecu 1.94
d Sicav Sterling Bond £ 1.91
LATIN AMERICAN MANAGEMENT Co Ltd
Tel : London 071 628 1234
w Argentinian Invest Co Sicav $ 24.51
w Brazilian Invest Co Sicav $ 21.22
w Mexican Invest Co Sicav $ 24.42
LIPPO ASIA LIMITED
d Java Fund $ 5.69
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073280/Inquir. 41-22-3073210
w Lloyds Int'l Dollar + $ 116.20
w Lloyds Int'l Europe + SF 186.10
w Lloyds Int'l Growth + SF 209.50
w Lloyds Int'l Income + SF 277.50
w Lloyds Int'l N. America + $ 194.20
w Lloyds Int'l Pacific + SF 167.10
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 16.98
m Sterling Class £ 4.75
m US Dollar Class $ 7.77
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.95
MAN INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 42.88
m Mint Limited - Income $ 14.20
m Mint Gtd Ltd - Spec Issue $ 22.92
m Mint Gtd Ltd - Nov 1993 $ 20.73
m Mint Gtd Ltd - Jan 1994 $ 16.83
m Mint Gtd Ltd - Dec 1994 $ 14.94
m Mint Gtd Ltd - Aug 1995 $ 12.22
m Fleme Mint Gtd Plc $ 113.16
m Mint Se Res Ltd (BNP) $ 109.95
m Newcastle Guaranteed Ltd $ 11.79
m Alubat Mint Gtd. Fund Ltd $ 110.02
m Athena Diversified Fut $ 9.46
m Athena Guaranteed Fut $ 9.31
d Athena Guaranteed Curr $ 9.46
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 10.20
d Multi-Curr. Bond Ptfl Cl A $ 18.06
d Multi-Curr. Bond Ptfl Cl B $ 17.99
d USA Income Portfolio $ 9.32
d US Federal Securities Fd
d Category A $ 9.78
d Category B $ 10.29
d World Nat Res Ptfl Sh A $ 11.19
d World Nat Res Ptfl Sh B $ 11.80
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A A$ 14.44
d Category B A$ 14.49
d Canadian Dollar Ptfl
d Category A C$ 11.68
d Category B C$ 11.69
d Deutsche Mark Ptfl
d Category A DM 10.72
d Category B DM 10.74
d Pound Sterling Ptfl
d Category A £ 12.44
d Category B £ 12.44
d US Dollar Ptfl
d Category A $ 12.09
d Category B $ 12.15
d Yen Portfolio
d Category A Y 1086.00
d Category B Y 1087.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.08
d Class B $ 10.98
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.88
d Class B $ 11.77
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.48
d Class B $ 9.28
EURO EQUITY PORTFOLIO
d Class A $ 10.75
d Class B $ 10.64
MULTIMANAGER N.V.
w American Growth Fd $ 18.68
w European Curr. Bond Fd Ecu 10.54
w European Growth Fd Ecu 11.03
m Futures Fd $ 9.84
w Japanese Growth Fd Y 985.00
w Forex Fund $ 9.55
m Emerging Markets Fd $ 12.75
NIMARBEN
w Class A $ 220.94
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 42.20
d NMB Euromix Growth Fd LF 2351.00
d NMB Real Estate Fund Fl 37.58
w The Brazil Fund $ 1.41
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 6.80
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.50
OBLIFLEX LIMITED
w Multicurrency $ 25.95
w Dollar medium Term $ 19.75
w Dollar Long Term $ 16.83
w Japanese Yen Y 3875.00
w Pound Sterling £ 19.95
w Deutsche Mark DM 13.88
w Dutch Florin Fl 14.11
w HY Euro Currencies Ecu 12.09
w Swiss Franc SF 11.80
w US Dollar Short Term $ 11.34
w HY Euro Curr Divid Pay Ecu 10.59
w Swiss Multicurrency SF 13.35
w European Currency Ecu 17.04
w Belgian Franc BF 104.61
w Convertible $ 11.76
w French Franc FF 119.49
w Swiss Multi-Dividend SF 9.34
w Canadian Dollar C$ 10.69
w Dutch Florin Multi Fl 12.19
w Swiss Franc Divid Pay SF 10.26
OLYMPIA Capital Intl. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-49539036 Fax: 33-1-42567009
w Finsbury Group $ 154.48
w Olympia Securite SF SF 146.10
w Olympia Securite US$ $ 97.24
w Winch. Capital $ 102.10
w Winch. Frontier $ 273.67
w Winch. Fut. Olympia Star $ 105.76 •
w Winch. Hldg Int'l Madison Ecu 1110.54
w Winch. Hldg Int'l Ser D Ecu 1293.86
w Winch. Hldg Int'l Ser F Ecu 1303.62
w Winch. Hldg US$ $ 16.72
w Winch. Reser. Multi. Gvbd $ 15.17
OPTIMA FUND MANAGEMENT
6 Front St, Hamilton,Bermuda(809 295-4000)
w Optima Fund $ 13.65
w Optima Futures Fund $ 10.33
w Optima Short Fund $ 9.68
PARIBAS-GROUP
d Cortexa International $ 111.78
d Europhenix Ecu 191.93
d Luxor $ 7.85
d Par US Treas. Bond Cl B $ 148.83
d Parinter Bond Fund $ 15.24
d Parinter Fund $ 220.82
w Parvest Obli-DM A DM 1209.85
w Parvest Obli-DM B DM 1449.46
w Parvest Obli-Dollar A $ 1165.71
w Parvest Obli-Dollar B $ 1499.72
d Parvest Obli-Franc A FF 1413.29
d Parvest Obli-Franc B FF 1531.78
w Parvest Obli-Gulden A Fl 966.29
w Parvest Obli-Gulden B Fl 1216.18
d Parvest Obli-Sterling £ 120.80
w Parvest Obli-Yen A Y 107119.00
w Parvest Obli-Yen B Y 130218.00
PERMAL GROUP
b Drakkar Growth $ 2225.67
b EuroMir (Ecu) Ltd Ecu 1295.95
b Media Ltd $ 881.46
b Nascal Ltd $ 1646.29
w Updyke Ltd $ 278.81
b Value N.V. $ 2107.22
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 103.05
b Eurovai (Lux) Ecu 169.66
b Global Value (Lux) Quant. Ecu 123.91
m Int'l Small Cap (IOM) $ 207.20
d Pictet Valsuisse (CH) SF 425.80
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 29.48
w Asian Selection Fd N.V. Fl 53.16
w DP Amer. Growth Fd N.V. $ 33.65
w Environment Growth Fund Fl 32.24
w Eur. Growth Fund N.V. Fl 40.33
w Japan Diversified Fund $ 44.51
w Leveraged Cap Hold $ 425.94
w Tokyo Pac. Hold. N.V. $ 221.02
PRISM ASSET MANAGEMENT
(212) 332-1032 advisor to :
d Prism Fut. Fd (EFF) $ 300.43
d Conqueror $ 88.13
d PTJ $ 123.53
d Apex Fund Ltd $ 106.15
d Rainbow $ 123.31
d Emerald Futures Ltd $ 98.51
d Harmonic Futures Ltd $ 94.77
PUTNAM
d Emerging Hlth Sc. Trust $ 33.14
w Putnam Em. Info. Sc. Trust $ 19.00
d Putnam Glob. High Growth $ 14.04
d Putnam High Inc. GNMA Fd $ 9.10
d Putnam Int'l Fund $ 12.23
PYRFORD, SWITZ (022) 25 17 25
w Pyrford Australian A$ 100.75
w Pyrford Int'l £ 104.80
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 99.90
d Rolinco Fl 99.70
d Rorento Fl 68.60
d Rodamco Fl 53.40
d RG America Fund Fl 100.60
d RG Europe Fund Fl 99.20
d RG Pacific Fund Fl 98.90
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 161.28
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 5.151 •
w RBC Canadian Fd Ltd + C$ 13.48
w RBC European Fund + $ 12.37
w RBC Far East & Pac. Fd + $ 37.82 •
w RBC Int'l Bond Fund Ltd + $ 13.91
w RBC Int'l Capital Fund + $ 5.87 •
w RBC Mngd Currency Fd + $ 43.87
w RBC North America Fd + $ 15.70
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 10.15
w Republic GAM Fund $ 187.23
w Republic GAM Growth $ 101.78
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 14.82
w Equity Int'l Inc $ 12.09
w Equity Global $ 1.32
w Equity Far East $ 2.16
w Equity Gold $ 0.69
w Equity Japan Y 119.00
w Equity Nordic $ 1.48
w Equity U.K. £ 1.31
w Equity Continental Europe $ 1.30
w Equity Mediterranean $ 0.97
w Equity North America $ 1.59
w Bond Int'l Acc $ 18.13
w Bond Int'l Inc $ 7.25
w High Income Acc $ 1.40
w High Income Inc $ 1.04
w Bond Sweden SKr 13.89
w Bond DEM DM 1.82
w Bond Dollar $ 1.17
w Multicurrency $ 1.39
w Enskilda Int'l Bond $ 107.03
SOCIETE GENERALE GROUP
d Asia Fund $ 397.79
d Btw Category A $ 15.62
d Btw Category B $ 33.83
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 13.75
w SF Bonds B Germany DM 24.85
w SF Bonds C France FF 100.12
w SF Bonds E G.B. £ 9.93
w SF Bonds F Japan Y 1707.00
w SF Bonds G Europe Ecu 14.07
w SF Bonds H World Wide $ 14.28
w SF Bonds J Belgium BF 646.00
w SF Eq. K North America $ 13.96
w SF Eq. L W. Europe Ecu 13.56
w SF Eq. M Pacific Basin Y 1440.00
w SF Eq. N France FF 70.00
w SF Eq. P Growth Countries $ 12.79
w SF Eq. Q Gold Mines $ 10.46
w SF Eq. R World Wide $ 13.21
w SF Short Term S France FF 735.36
w SF Short Term T Eur Ecu 13.31
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1059.30
w S.I.F. France Distrib. FF 1059.30
w S.I.F. GB Capital £ 120.26
w S.I.F. GB Distrib. £ 120.26
w S.I.F. Japan Capital Y 12082.00
w S.I.F. Japan Distrib. Y 12082.00
w S.I.F. US Capital $ 176.98
w S.I.F. US Distrib. $ 176.98
w S.I.F. World Capital $ 136.91
w S.I.F. World Distrib. $ 136.91
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc. $ 113.63
w SAM Strategy Inc $ 98.22
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 7.92
b SHB Bond Fund $ 49.81
w Svenska Sel. Fd Amer Sh $ 12.83
w Svenska Sel. Fd Germany DM 9.08
d Svenska Sel. Fd Int'l Bd Sh $ 11.63
w Svenska Sel. Fd Int'l Sh $ 48.58
w Svenska Sel. Fd Japan Y 498.00
d Svenska Sel. Fd Nordic Sh $ 10.72
w Svenska Sel. Fd Pacif Sh $ 4.53
d Svenska Sel. Fd S/T Ass Sh $ 10.75
w Svenska Sel. Fd Swed Bds SKr 1096.73
SWISS BANK CORP. (Issue Prices)
d SBC 100 Index Fund SF 1187.00
d SBC Bond Portfolio - C$ C$ 103.63
d SBC Bond Portfolio - Ecu Ecu 101.67
d SBC Bond Portfolio - FF FF 507.29
d SBC DM Short A/B DM 1086.86
d SBC Euro Stock Ecu 163.00
d SBC Global Ecu Growth Ecu 995.60
d SBC Global Ecu Yield Ecu 996.50
d SBC Global SF Growth SF 993.88
d SBC Global SF Yield SF 994.77
d SBC Global US$ Growth $ 999.19
d SBC Global US$ Yield $ 1001.60
d SBC MMF - £ £ 2340.60
d SBC MMF - C$ C$ 4072.07
d SBC MMF - DFl Fl 6113.58
d SBC MMF - Ecu Ecu 3039.93
d SBC MMF - FF FF 20401.47
d SBC MMF - Lit Lit 4091377.00
d SBC MMF - SF SF 5082.88
d SBC MMF - US - Dollar $ 4446.32
d SBC MMF - Yen Y 547229.00
d SBC Sfr Bond A SF 1919.46
d SBC Sfr Bond B SF 1128.79
d America Valor $ 309.18
d Anglo Valor £ 195.67
d Asia Portfolio SF 512.53
d Convert Bond Selection SF 98.88
d D-Mark Bond Selection DM 109.18
d Dollar Bond Selection $ 140.91
d Ecu Bond Selection Ecu 112.89
d Florin Bond Selection Fl 114.25
d France Valor FF 1757.76
d Germania Valor DM 452.29
d Gold Portfolio $ 311.25
d Iberia Valor Pta 48862.00
d Ital Valor Lit 359407.00
d Japan Valor Y 29270.00
d Sterling Bond Selection £ 111.07
d Sw. Foreign Bond Selection SF 102.44
d Swissvalor SF 357.50
d Universal Bond Selection SF 78.35
d Universal Fund SF 106.58
d Yen Bond Selection Y 11092.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 8.76
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.71
d Class A-2 $ 10.91
d Class A-3 $ 10.38
d Class B-1 $ 9.52
d Class B-2 $ 10.72
INCOME PORTFOLIO
d Class A $ 10.76
d Class B $ 10.70
TERMINVEST Tel : 40.78.92.89
m Dual Futures Fd Cl D Units $ 107.06
m Galaxy Futures Fund Ltd $ 106.56
THORNTON MANAGEMENT Ltd
d Pacif Invt Fd SA £ 9.08
d Pacif Invt Fd SA DM DM 24.47
d Pacif Invt Wrnt Fd SA £ 4.08
d Pacif Invt Wrnt Fd SA DM DM 11.98
d Eastern Crusader Fund $ 7.71
d Thornton Int'l Opp. Fd $ 1.62
d Thornton HK Gateway Fd $ 17.26
d Thornton Japan Fund Ltd $ 27.18
d Thor. Littl Dragons Fd Ltd $ 19.46
d Thornton Orient Inc Fd Ltd $ 21.82
d Thornton Phil. Redev. Fd $ 18.58
d Thornton Tiger Fd Ltd $ 28.48
NEW TIGER SEL. FUND
d Thailand $ 7.84
d Malaysia $ 8.32
d Indonesia $ 5.46
THORNTON TAIWAN FUND
d Equity Income $ 10.09
d Equity Growth $ 10.38
d Liquidity $ 10.80
UEBERSEEBANK Zurich
d B - Fund SF 1012.90
w E - Fund SF 542.97
d J - Fund SF 360.76
d M - Distribution SF 97.97
d M - Fund SF 1073.54
d UBZ Euro-Income Fund SF 10.03
UNION BANK OF SWITZERLAND
d Amca American Shares SF 41.75
d Bond-Invest SF 62.25
d Brit-Invest Shares SF 814.50
d D-Mark-Invest Bonds DM 191.98
d Dollar-Invest Bonds $ 112.27
d ESPAC Spanish Shares SF 205.58
d Eurit SF 34.50
d Fonsa Swiss Shares SF 203.00
d Francit Shares SF 202.00
d Germac Shares SF 238.50
d Globinvest Shares SF 106.80
d Gold Invest Shares SF 181.00
d Holland-Invest Shares SF 241.50
d Itac Shares SF 189.50
d Japan-Invest Shares SF 1225.00
d Sima (Stock price) SF 221.00
d Skandinavien-Invest SF 243.50
d UBS Money Mkt Invest £ 1059.11
d Yen-Invest Bonds Y 80943.00
UNIVERSAL GROUP OF FUNDS
d Universal Can. Equity C$ 9.69
d Universal Pacific C$ 8.69
d Universal American C$ 9.14
d Universal Can. Ressource C$ 3.99
d Universal Global C$ 4.05
d Canada Guar. Mortgage Fd C$ 15.29

Other Funds
r Acticroissance FF 500.12
d Actifinance Int'l $ 1014.17
w Actifutures Ltd $ 962.76
w Actigestion FF 1298.57
w Activest Int'l FF 28.18
m Advanced Strategies $ 109.20
w Aquila International Fund $ 268.78
b Ariane $ 4237.77
d Asia Oceania Fund $ 9.15
m Associated Investors Inc. $ 801.22
b Atlantic Fund $ 74.57
r Australia Fund $ 18.86
w Balfour Maclaine Series 1 $ 941.26
w BDD Inv. Fund-Ecu Bd Ecu 5770.81
w BEM International $ 6.85
w Bondselex-Issue Pr. SF 106.40
m Cal Futures 1990 Fd Ltd $ 25.20
d CB German Index Fund DM 123.85
w CMI Investment Fund $ 1360.00
d Colbert Croissance FF 74.64
d Colbert Finances FF 121032.75
d Colbert Tresor FF 1241.67
w Convert. Fd Int'l A Certs $ 17.93
w Convert. Fd Int'l B Certs $ 62.20
w Cowen Enterprise Fd N.V. $ 1038.48
w Cumber Int'l N.V. $ 271.49
d D. Witter Wld Wide Ivt Tst $ 25.06
w D.G.C. $ 2224.04
w Daiwa Japan Fund Y 7339.00
d Dreyfus America Fund $ 21.19
w Dumelux Amerique $ 1035.72
w Dumelux Asie Pacifique $ 1025.72
w Dumelux Bonds Plus $ 1028.99
w Dumelux Europe Ecu 1072.28
w Dumelux France FF 6413.76
w Dumelux Opportunit $ 1035.72
m Dumenil Arbitrage Fd NV $ 1792.34
w Ess Overseas Fund Ltd $ 1200.00
d Emi Belg. Ind. Plus A BF 8397.00
d Emi Belg. Ind. Plus B BF 8397.00
d Emi France Ind. Plus A FF 893.41
d Emi France Ind. Plus B FF 893.41
d Emi Germ. Ind. Plus A DM 88.27
d Emi Germ. Ind. Plus B DM 88.27
d Emi Spain Ind. Plus A Pta 10232.00
d Emi Spain Ind. Plus B Pta 10232.00
d Emi UK Index Plus A £ 105.76
d Emi UK Index Plus B £ 105.76
m Enigma Currency Fd $ 18.98
w Espir. Sto Inv M Ecu Bd Fd Ecu 103.59
w Espir. Sto Inv M Stn Eur Fd $ 9.56
w Esprit Sicav Ecu 1200.29
d Eurasud FF 1021.53
d Europe 1992 $ 18.81
d Europe Obligations Ecu 82.69
w F.I.T. Fund FF FF 124.52
w F.M.P. Portfolio $ 0.5434
w Fairfield Int'l Ltd $ 171.80
w Fairfield Sentry Ltd $ 232.59
w Fairfield Strat. Ltd $ 66.25
m Fatum Fund $ 745.86
w First Eagle Fund $ 39818.46
w First Ecu Ltd Ecu 89.47
m First Frontier Funds $ 66.29
w FL Trust Switzerland SF 95.87
d Fonditalia $ 80.90
w Fonselex Issue Pr. SF 152.40
d Force Cash DM Sicav DM 5373.52
d Force Cash Ecu Sicav Ecu 2756.09
d Forexfund Limited $ 8.59
w Formula Selection Fd SF 64.94
d Frankl-Trust Effekten Fd DM 160.27
d Frankl-Trust Interzins DM 40.96
m Gems Progressive Fd Ltd $ 1118.06
w George V Inv. Bond F $ 22.58
m German Sel. Associates DM 1759.75
d Green Line France FF 677.69
m Guaranteed Capital Imm 94 LF 510185.00
w Hasenbichler Com AG $ 1446.80
w Haussmann Hldgs. N.V. $ 398.32
d Hentsch T.F. SF 10392.00
w Hestia Fund $ 166.16
w Horizon Fund FF 10895.76
w Ibex Holdings Ltd SF 190.46
w IFDC Japan Fund Y 26946.00
r ILA-IGB $ 1.55
r ILA-IGS $ 9.94
w Infinity Fund $ 139.7706
r Int'l Securities Fund Ecu 27.38
m Interface Fund Ltd $ 159.24
d Interfund SA $ 44.26
w Intermarket Fund $ 490.16
w Intersec - KBL $ 3967.73
d Investa DWS DM 74.07
d Investmentor Fund $ 104.61
m J Capel Guaranteed Fund $ 9.95
w Japan Pacific Fund $ 210.17
m Japan Selection Asses Y 8492.00
w Japan Selection Fund $ 219.55
d JJ Placement FF 13831.25
w JWH Worldwide Fund $ 9.92
d Kenmar Guaranteed $ 9.34
w Kenmar Int'l - B $ 18343.00
d Kenmar L/C $ 7.92
m Key Hedge Fund Inc $ 114.94
d KML-II H. Yield $ 620.30
w Korea Growth Trust $ 32.35
d LACO International $ 5.72
w Leumi Vol. Francaises FF 1034.20
m London Portfolio Services $ 9.82
w Luxfund $ 106.00
m Lynx Sel. Holdings SF 125.45
w M 1 Multi-strategy $ 1004.29
w M.Kingdon Offshore. N.V $ 9.60
m Maritime Fund Int'l Ltd $ 736.69
w Mat Growth ESCF DM 19.37
w Mat Growth USCF $ 11.91
w Matterhorn Offshore Fd $ 9584.87
m Maverick Limited $ 257942.93
w MBE Japan Fund LF 2885.00
m MCM Int. Limited $ 166.91
d Mediolanum Selective Fd $ 37.28
w Moore Global Invts. Ltd $ 2176.13
d NCA Fund $ 18.44
d New Millennium Fut. Ltd $ 905.58
d Newbank Debentures $ 1218.00
w Nippon Fund $ 109.00
d NM Inc. & Growth Fund $ 18.09
m NMT Asian Sel. Portfolio $ 189.37
m NMT Citadel Bond SF 120.92
m NMT Nostec Portfolio $ 145.06
d Nomura-Cap Int'l Eq Fd $ 14.81
w Noveurope - KBL Ecu 2851.08
m NSM Invest. Ltd. Senso SH $ 10.22
m NSM Invest. Ltd. Tetryx SH SF 10.87
m NSP F.I.T. Ltd $ 10.81
m Oppenheimer U.S. Arb. $ 136.19
w Optimum Fund $ 1463.33
m Overlook Performance $ 1486.37
d Pacific Nies Fund $ 6.39
d PAM Futures Trod $ 345.69
m Pan European Futures Ltd $ 4490.79
m PAN International Ltd $ 103.90
w Pancurri Inc $ 167.74
m Paragon Fund Limited $ 10.35
w Plurigestion FF 97.95
w Plurivest International FF 111.40
d Precision Fund Ltd $ 78.82
d Premier Futures Ltd $ 1050.03
d Profirent S.A. DM 1119.99
w Prosp. I.H. Inc. P.F $ 3.71
w Puget-Mahe Barclays Pac. $ 154.48
w Pulsar LDC Debt Fd $ 122.6825
w Quantum Fund N.V. $ 18881.07
m Quark Int'l Trad Prog $ 9879.007
w Quasar Fund N.V. $ 122.79
d SAGA Court Terme FF 1283.93
d SAGA France FF 459.15
d SAGA Long T. Capital FF 1186.45
d SAGA Perspectives FF 1054.21
d SAGA Premiere FF 1269.75
w Sailor's Int'l Equity Ecu 1016.55
w Sailor's Int'l Fixed Ecu 1034.64
w Samurai Portfolio SF 287.70
d Sanyo Kle. Spain Fd $ 10.25
d Sorokreek Holding N.V. $ 16.50
d Saturn Fund $ 1102.82
d SCI / Tech. SA Luxembourg $ 18.30
m Scimitar Guar. Curr Fd $ 9.54
m Scimitar Guaranteed $ 8.25
w Securefund 2000 Ltd $ 5.59
m SLH Guar. F.F.I. $ 1225.05
w SP International SA $ 7284.43
m Sussex McGarr $ 1667.00
w Techno Growth Fund SF 50.47
d Templeton Global Inc. $ 9.65
w The Jaguar Fund N.V. $ 292.50
d The Petrus Fund Ltd $ 1.87
w Thema M-M Futures $ 938.02
m THC (OTC) Jap. Fd Sicav $ 11.74
m Tokyo (OTC) Fund Sicav $ 9.04
m Trans Global Invt Ltd $ 100.16
w Transpacific Fund Y 24873.00
d Tudor B.V.I. Futures Ltd $ 9068.19
d Turquoise Fund $ 197.92
m Tweedy Browne (UK) n.v. $ 1413.58
w Tweedy Browne n.v. Cl A $ 3834.45
w Tweedy Browne n.v. Cl B $ 1717.21
d Uni Bond Fund Ecu 1770.87
r Uni Capital Fund $ 1255.94
d Unico Equity Fund DM 61.60
d Unico Inv. Fund DM 72.37
m Unitrod FF FF 11518.77
m Unitrod SF SF 1130.96
m Unitrod US$ $ 1108.86
d Univers Bonds DM 149.58
w Ursus Int'l Ltd $ 7698.00
w Vanderbilt Assets $ 16.60
m Victor Futures Fund $ 196.66
w Willer Asian Fund $ 10.34
w Willerbond Capital $ 15.18
d Win Global Fd Bd Ptfl Ecu 108.45
d Win Global Fd Eq Ptfl Ecu 107.29
d Win Global Fd Res. Ptfl SF 209.13
d World Balanced Fund S.A. $ 12.40
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SPORTS

Ryder on Course For a Challenge

By Jaime Diaz
New York Times Service

KIAWAH ISLAND, South Carolina — No new course in the history of golf has been greeted with more anticipation than the Ocean Course, which will have its reputation on the line here this week at the Ryder Cup even more so than Europe's and America's best players.

Conceptually, the Ocean Course is a convergence of ideal components.

It has been built by Pete Dye, one of the game's most sought after architects, on a strip of wetlands bordering the Atlantic Ocean that has been hailed as a spectacular setting.

And its competitive debut is taking place at center stage of the game, in what is arguably golf's most important event.

But while it may indeed in time take its place as one of the world's great courses, the Ocean Course is drastically different from what was originally imagined.

Despite the name of the course, the course is several hundred yards away from the Atlantic, which acts more as a placid backdrop than a dramatic presence in the wave-crashing tradition of Pebble Beach.

For all the comparisons to links golf that the Ocean Course has engendered, its terrain is softer and its grass bristlier than the firm, classic greenswards carved naturally on the coasts of Scotland.

The Ocean Course was carved out of marshland and turned into its own rugged hybrid: a tropical tundra. After essentially clearing a flat piece of land in 1989, Dye used bulldozers to create mounds and gentle contours.

He then weaved fairways and greens between millions of tons of sand held together by rugged flora including sea oats, sweet grass and oak scrub.

"I made these dunes," Dye said with pride while walking the course recently. "If people want to call this course artificial, they are absolutely right. It is completely artificial."

If the course is determined a success, Dye's triumph will be similar to that of an Oscar-winning Hollywood set designer. He will have achieved art out of almost pure artifice.

"The greatest tribute to Pete is that the whole course looks like it has been there for years," Raymond Floyd, a member of the U.S. Ryder Cup team, which will face the European squad starting Friday morning, said after playing it for the first time.

"I think it's as fine a golf course as you could ever want. It just flows. Even though it was done with a bulldozer, it's a course that looks like it was done by nature."

While players have already expressed their preference for the Ocean Course's natural flow when it is compared with the sharp topographical angles of previous Dye creations like the stadium courses at Sawgrass and PGA West, the design of the new course is not spectator-friendly.

There will be no amphitheaters and only one grandstand for the 25,000 people who will attend as spectators on each of the event's three days.

Because Dye elevated several of the fairways and greens to make the presence of the Atlantic more prominent, spectators will often be straining to watch play that is taking place over their heads.

The course is hard to walk. Not only will spectators often be relegated to trodding through sand and scrub, but the distances between holes will be daunting, particularly the half-mile trek from the ninth green to the 10th tee.

But the trouble of watching will be worth it if the Ocean Course can, as Dye intended, force the game's best to call on every resource of imagination and nerve at their disposal.

At nearly 7,400 yards (6,766 meters), the course has wide fairways that encourage and even demand players to use their drivers. Long hitters will have enough room to be aggressive, particularly in a match-play format, where a disastrous shot costs only one hole instead of a number of strokes. Without a premium on pinpoint accuracy off the tee, length will be rewarded.

The wind, which commonly blows at 25 miles an hour (40 kilometers an hour) or more, will be the crucial element. By placing almost no bunkers directly in front of greens, Dye has made it possible for approach shots to be bounced in to their target.

Still, so-called bump-and-run golf will not be the best way to attack the course. The relatively thick-bladed Bermuda grass on the fairways and greens gives up less roll and produces a less reliable bounce than the thinner bent grass that grows on the firm ground of true links courses.

"No way you can have a links with Bermuda grass," Dye said. "There is no such animal."

But imagination and variety will be rewarded around the greens, particularly the seven that are perched on top of steep mounds. Shots that miss those putting surfaces will roll into valleys below, from where there will be no automatic choice of shot.

"It will all depend on the what feels best at that moment in the match," said Hale Irwin, another American player. "You could choose to roll it up the hill with a putter, bump it in with a chip, or land it softly with a wedge shot and have as good a chance with either shot. It's not going to favor any one style of play, but it's going to get very creative."

That, of course, was one of Dye's goals.

1991 Ryder Cup

The 29th Ryder Cup will begin Friday in Kiawah Island, S.C. The United States has an overall record of 21-5-2 since the tournament began in 1927, but has been 3-2-1 since 1979.

CAREER LEADERS

All matches, 18 and 36 holes (15 match minimum).

	WON	TIED	LOST	PCT.	SINGLES	PAIRS
Lee Trevino	17	6	7	.667	10	20
Arnold Palmer	22	2	8	.719	11	21
Hale Irwin	11	1	4	.719	5	11
Tom Watson	10	1	4	.700	4	11
Julius Boros	9	4	3	.688	6	10
Gene Littler	14	8	5	.667	10	17
Jack Nicklaus	17	3	8	.638	10	18
Billy Casper	20	7	10	.635	10	27
Nick Faldo	16	2	9	.630	7	20
Tom Kite	13	4	7	.625	6	18
Lanny Wadkins	15	1	9	.620	6	19
Seve Ballesteros	13	4	8	.600	5	20

RYDER RECORDS

YOUNGEST PLAYER
20 years, 1 month, 27 days - Nick Faldo, Britain, 1977

OLDEST PLAYER
58, Ted Ray, Britain, 1927

MOST TIMES ON WINNING TEAM
7 Sam Snead, U.S., 1937, '47, '49, '51, '53, '55, '59
7 Billy Casper, U.S., 1961, '63, '65, '67, '71, '73, '75

MOST TIMES ON LOSING TEAM
8 Dai Rees, Britain, 1937, '47, '49, '51, '53, '55, '59, '61
8 Christy O'Connor, Britain, 1955, '59, '61, '63, '65, '67, '71, '73

Sources: P.G.A. of America; Bill Inglish

The New York Times

Business and Pleasure Mix in Europe

By Doug Cress
Special to the Herald Tribune

You see them in airport terminals and hotel lobbies all across Europe, knees bent, heads down and hands extended over an imaginary ball. They talk about places like St. Andrews, and their eyes go all misty at the thought of the second hole at Royal Dornoch.

But traveling businessmen with a serious golfing habit and a few hours to kill on the road need suffer no longer. Thanks to the golf boom that hit Europe more than a decade ago, there are now hundreds of courses to choose from —including several championship courses — within minutes of cities like Paris, Malaga, Barcelona and Moscow.

And there are a variety of ways to play. A day on the links is quite possible and, increasingly, a more permanent piece of the action is becoming available as a number of new courses are offering real estate options such as condominiums or time-share deals, a long-standing practice in the United States that has only recently been introduced in Europe.

Many European courses cater specifically to businessmen hoping to woo a client or sneak in a quick 18 holes before heading to the airport. Perks range from corporate memberships at reduced prices to state-of-the-art clubhouses to airport shuttle services, and the links are filling up fast.

"Many of the new golf courses developed in Europe have businessmen very much in mind," said Tom Macauley, a golf course architect from Ireland who has designed about three dozen courses in Europe. "They're not stuffy or elitist at all. For instance, if you travel in France, all you need is evidence of club membership and a handicap and it's no problem.

"Most of the golf course developments see businessmen as the way to grow. They'd rather establish a club for businessmen as opposed to a club for people with a love of golf."

One key to that growth is real estate, and a numbr of new courses come complete with condominium or property options. Unable to turn a profit solely through membership fees and annual dues, clubs turn to real estate sales to recover the enormous startup costs — big-name architects alone can cost $5 million — in building a course. The process was integral to the golf boom in the United States in the 1960s but only recently reached Europe.

"The Europeans have realized that real estate is a vital part of the package," said Ronald Croen, president of the Paris-based Croen Group, an international golf construction consulting firm. "It can be homes, it can be condominiums, it can be hotels — either way, the market is starting to understand that golf by itself is not an instant money-maker."

France is among the leaders in the business-golf market, with several top-notch sites near major metropolises. Near Paris, the Paris International Club was designed by Jack Nicklaus and is rated among the country's most challenging, while the Euro Disneyland park that will open next year will feature 27 holes that figure to thrive on the tourist overflow. The 1991 French Open was held just 30 minutes outside of town at Golf Nationale in Guyancourt, while Marivaux is currently under construction 10 minutes beyond the peripherique.

The French countryside is equally rich in top-notch courses, many offering real estate options. Les Domaines de Vidauban, a course designed by golf guru Robert Trent Jones, officially opened in July and is situated within easy reach of Cannes, Toulon and Marseilles. Le Golf de Gassin near St. Tropez features an ocean view and residential lots. Plomeur in Brittany is serviced by Brest, while Robert Von Hagge, one of the hottest architects in Europe, designed the five-star Le Bordes one and a half hours south of Paris in the Loire Valley.

Spain is also seeking to attract the business bucks, and a wave of new courses are either under construction or on the drawing board in the Iberian Peninsula. Not surprisingly, real estate options are all the rage here, too.

> **'Most of the golf course developments see businessmen as the way to grow. They'd rather establish a club for businessmen as opposed to a club for people with a love of golf.'**
> **Tom Macauley, course architect**

"Here on the coast, between 25 and 30 existing courses are about to be opened," said Peter Leonard, editor the Malaga-based Costa Golf magazine. "I'd expect that number would double by the next century. But most of these projects are basically designed to sell real estate, and that means your ultimate access to the golf course will be limited.

"It's a gamble, of course. Developers have decided whether they can pull enough income in with a limited membership as opposed to opening a public course."

In southern Spain, Valderrama, another Trent Jones creation near Cádiz, is the annual site of the Volvo Masters tournament, while Las Brisas in Marbella has twice featured the Spanish Open and is easily reached from Malaga. The Parador del Golf is minutes from the Malaga Airport and features "Scottish-style" links and annual memberships that allow you to play for less than $5 per day.

Up north, Barcelona has two top-notch courses within its city limits: sprawling El Prat, which actually borders the airport, and the older, tighter Sant Cugat. And the Puerto de Hierro in Madrid has shed its elitist, high-brow image after nearly losing the Madrid Open.

Spain also boasts an unusual drive toward municipally owned golf courses, including an extraordinary nine-hole site in Guardiaro near Cádiz. In addition to a grant of 42 million pesetas from the Spanish government, Club de Golf La Canada was designed free of charge by Trent Jones — a favor for Valderrama president Jaime Ortiz-Patino — and 700 family memberships provided the rest of the funding.

Other courses on the Continent that would fit snugly into a business itinerary include two in the Netherlands (Purmerend and Comstrijon), Hubbelrath Club in Düsseldorf and the Ugolino Golf Club in Florence.

Even Moscow has gotten into the act. The Tumba Club, a nine-hole course that was opened by former Swedish hockey player Sven Tumba in 1989, is literally 10 minutes from Red Square. It features business amenities like fax machines and telex, a gourmet restaurant and tennis courts, and boasts a membership that includes Mikhail S. Gorbachev and his wife Raisa, Arnold Palmer, and corporations like Du Pont and Spalding. Boris N. Yeltsin, president of the Russian Republic, drove the ceremonial first ball.

And for those whose love of the sport can't be satisfied during normal business hours, a course that can be played 24 hours a day in the height of summer opened in August on the border between Sweden and Finland.

Nine holes are currently open on the Green Zone course, an hour from the Arctic Circle. Green Zone is believed to be the world's first two-nation course, and by next year it'll also be the world's northernmost 18-hole layout. Nine holes are in Sweden and nine in Finland, and there's a customs office on the club premises since all non-Nordic citizens must show identification — although not necessarily passports — when paying the greens fee (about $28).

"That's why our club logo looks like a customs sign," Emil Innala, a farmer turned golfer who provided the land for the course on the Swedish side, told The Associated Press.

Here is a sampling of clubs that are open to non-members, most not quite so exotic:

MADRID
Club de Campo — Greens fees $45. Cart $13.

BARCELONA
El Prat — Greens fees $80. Cart $35. Caddy $35.

DUSSELDORF
Hubbelrath Club — Greens fees: $33 weekdays, $49 weekends. Caddy $15.

CANNES
Mougins Golf Club — Greens fees $47 weekdays, $50 weekends. Cart $43.

PARIS
Golf Nationale (Guyancourt) — Greens fees $30 weekdays, $47 weekends

FLORENCE
Ugolino Golf Club — Greens fee $45.

BRITTANY
Golf de Bretesche (Missillac) — Greens fees $45. Caddy $21. Trolley: $5

BOOKS

SCARLETT: The Sequel to Margaret Mitchell's 'Gone With the Wind'

By Alexandra Ripley. 823 pages. $24.95. Warner Books, 666 Fifth Avenue, New York, N.Y. 10103.

Reviewed by Jonathan Yardley

THE good news: it could have been a whole lot worse. The bad news: it's awful anyway. Alexandra Ripley has made an earnest effort to be faithful to "Gone With the Wind," and for that she deserves a measure of gratitude, but let's face it: Alexandra Ripley is no Margaret Mitchell and "Scarlett" is no "Gone With the Wind."

"Scarlett" is described, on the dust jacket and the title page and anywhere else its publisher can find the space, as "The Sequel" to "GWTW," but only the most foolish of readers will believe this. Margaret Mitchell was satisfied that the full story had been told and to her death refused to go further than she had in the original; thus what we now have before us is not the child of her imagination but an article manufactured by various parties motivated solely by a shared desire to cash in on the powerful hold that "GWTW" still exerts on the American imagination.

"Gone With the Wind" is a novel, "Scarlett" is a product; the difference is as clear, and as unbridgeable, as that. "GWTW," whatever its strengths and shortcomings, was told quite literally from the heart; it arose from the same irresistible need to tell a particular story that has produced novels of far greater artistry and depth. "Scarlett," by contrast, has its origins in nothing more elevated than a contract; predictably, it never rises above these mean beginnings.

Although its opening pages offer at least a hint of promise, "Scarlett" quickly settles into the rut it occupies for the rest of the long, long way home. It is the rut of the conventional romantic novel, the genre in which Ripley had labored before the skies opened and this astonishing assignment fell into her lap.

To call "Scarlett" a bodice-ripper would be excessive, but not by much. "Scarlett's hands held her aching breasts, but hers were not the hands her body longed for." "Her kiss would tell him more than words ever could." "Rhett's breath was warm and salty in her nose and on her lips." "And there was no cold, no rain, no weakness — only the burning of Rhett's lips on her lips, on her body, the heat of his hands." If that's not bodice-ripping, it's a pretty fair imitation.

Whenever the story starts lagging — as it does from first to last — Scarlett ups and tells us what a tough little fighter she is. Page 18: "If I messed up my life, I'll clean up the mess." Page 27: "She wasn't going to give up. It wasn't in her to give up." Page 83: "She'd go to the Ball; somehow she'd find a way."

That's just a sample; there's lots more, for those so inclined. Yet it's difficult to imagine that even the reader most infatuated with romantic fiction and most willing to suspend disbelief will find much satisfaction in "Scarlett." Throughout it has the air not of conviction but of contrivance: of coincidence piled atop coincidence — you won't believe the odd places where Rhett suddenly pops up — and twist atop twist.

Instead of action and incident there's talk, talk, talk. The one-sentence paragraphs rattle past with unceasing din, signifying nothing. Though we're meant to believe otherwise, Scarlett and Rhett never really grow or change, while the characters minted by Ripley herself never step out of their cardboard straitjackets. As for the novel's conclusion, it adds new meaning to the definition of "preposterous."

So what Ripley gets is an A for effort and a D- for performance. If this 800-page snooze had been called "Ramona" or "Jessamyn" and packaged as a mass-market paperback romance, few would have noticed and few would have cared; because it observes all the conventions of a singularly conventional genre, presumably it would have satisfied the expectations of its readers. But call it "Scarlett" and package it as "The Sequel to Margaret Mitchell's 'Gone With the Wind,'" and you raise a whole new set of expectations. Through no particular fault of her own, save a lack of real imagination and an inability to rise above genre, Alexandra Ripley doesn't meet a single one of them.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

IN the race to qualify for the playoffs in the NEC World Junior Team Championships, Canada's first loss came against Israel in the fifth round in spite of a good effort by Geoff Hampson as South on the diagramed deal. He reached four spades after an opening three-heart bid on his right. West, fancying his defensive prospects, chose not to try five hearts which would have cost 500.

Hearts were led and continued, and South ruffed. He crossed to the diamond king and finessed the club queen, losing to the king. West's diamond return was won with the ace, and a club was led to the ace. A club ruff with the spade ten and a diamond ruff left this ending:

NORTH
♠ J 6
♡ —
◇ J 8 3
♣ —

WEST
♠ Q 7 3 2
♡ 2
◇ —
♣ —

EAST
♠ 5
♡ K Q 8 7
◇ —
♣ —

SOUTH
♠ A K 9
♡ —
◇ —
♣ 10 6

South counted East's distribution, and cashed the spade ace to remove that player's trump. He then led a club and West was helpless. Scoring 620 gained 14 imps for Canada when the opposing North-South failed by three tricks in five spades.

NORTH (D)
♠ J 10 6
♡ 10 4
◇ A K J 8 3 2
♣ 9 7

WEST
♠ Q 7 3 2
♡ A 6 2
◇ Q 9 7
♣ K 4 3

EAST
♠ 5
♡ K Q J 9 8 7 3
◇ 5 4
♣ J 8 2

SOUTH
♠ A K 9 8 4
♡ 5
◇ 10 6
♣ A Q 10 6 5

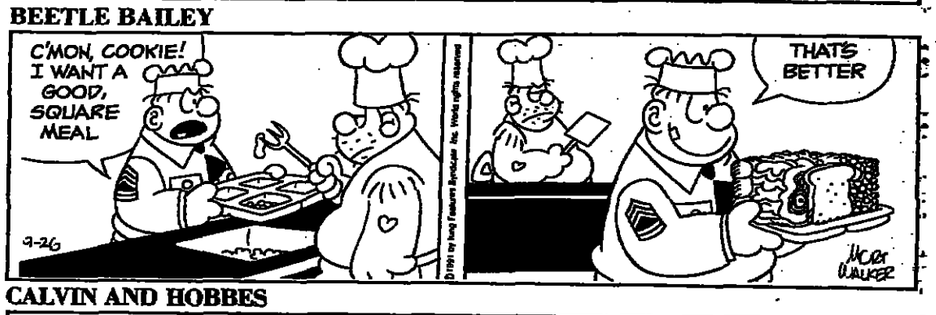
North and South were vulnerable. The bidding:

North	East	South	West
Pass	3♡	3♠	4♡
4♠	Pass	Pass	Pass

West led the heart ace.

PEANUTS

BEETLE BAILEY

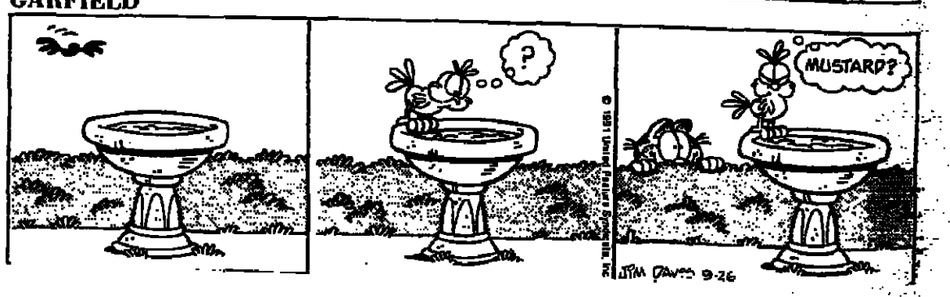


CALVIN AND HOBBES

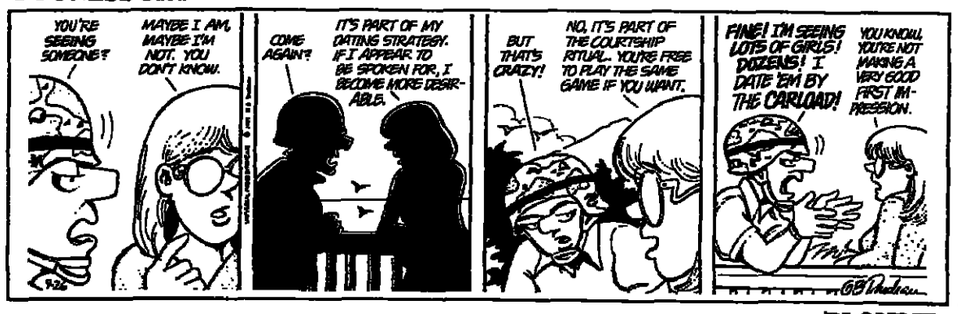
WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY



DENNIS THE MENACE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RIFAY

HEMRY

TONNEB

WOTOWK

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: _____

(Answers tomorrow)

Yesterday's Jumbles: INLET DUSKY BLAZER ELDOR
Answer: When a kleptomaniac sees a good thing he's apt to do this—SEIZE IT

BLONDIE

SPORTS

As Fighter Weakens, A Debate Strengthens

By Craig R. Whitney
New York Times Service

LONDON — A 26-year-old boxer lying in a coma with critical brain injuries since a world super-middleweight championship match here Saturday night remains at the center of a new British debate about whether boxing should be banned.

Michael Watson, father of two children, has had two operations to reduce blood clots and swelling of brain tissue, but his condition worsened Tuesday night and doctors said Wednesday that he would remain on life-support equipment.

Chris Eubank, the victor of the match, went to the hospital and sat for a few moments at Watson's bedside Tuesday night. "I had to see him and be alone with him," Eubank said. "I will be all right when Michael is all right. His head was swollen, and that was scary."

Watson underwent two operations to relieve pressure on his brain from bleeding. But Wednesday, a hospital spokesman said, "The pressure within the head has risen and a repeat X-ray scan shows the brain to be swollen."

The sports pages of popular newspapers have been filled with diagrams and medical explanations of how a sudden acceleration of the skull, from something like a right uppercut, can cause the tender neurological and vascular tissue of the brain to crash into tendon and bone structure, then tear and bleed, producing intolerable pressure inside.

The editorial pages of the serious dailies have done what they always do at times like these, which is to weigh the pros and cons of outlawing boxing and conclude that for workingclass people like Michael Watson, the sport is a way up and out that should not be closed off.

"Boxing seems rather to be socially positive for those who take it up in that it offers an escape route from deprivation to young men from impoverished backgrounds and ethnic minorities," wrote The Independent, a daily newspaper.

The boxing veteran Henry Cooper, Britain's Great White Hope a quarter century ago, wrote in The Sun. "In England, boxing comes seventh in 'unsafe' sports behind the likes of motor racing and show jumping. Are there ever any calls to ban those sports? No, perhaps because they are the pastimes of the wealthy classes."

Watson, the son of an immigrant from Jamaica, came from the streets of Clapton, a poor East London neighborhood home to many immigrants from the Caribbean. At school in Bethnal Green, he was a runner, soccer player, and cricketer until he first put gloves on at the age of 14. He left school without a diploma two years later.

"There is no room for complacency, but the balance of argument is against a ban," The Independent concluded Tuesday.

The Associated Press

Deion Sanders is switching sports for the stretch run. He stole 9 bases in 12 attempts this year and hit .193, getting 13 RBIs in 49 games.

Dodgers Build Lead to 2

Sanders In, 2 in Trouble

Compiled by Our Staff From Dispatches

ATLANTA — Just as the Atlanta Braves were celebrating the fact that Deion Sanders had been pried away from the NFL Falcons to give the team much-needed speed in the pennant race, news arrived that two Braves were arrested Wednesday on drunk driving charges and it was uncertain whether they would miss any resultant time.

Atlanta police said Keith Mitchell, a little-used outfielder, was charged with driving under the influence, driving with a suspended license and hitting a fixed object after his car ran into a median on an interstate shortly before dawn. Authorities said reserve first baseman-outfielder Brian Hunter was charged with driving under the influence and making an improper lane change after an accident earlier.

Both were released on bond. A Braves' spokesman said he did not know if they would be disciplined.

Tuesday, Sanders was added to the team to restore some of the speed it lost last week with the suspension of Otis Nixon.

Two days after helping the Falcons beat the Raiders, Sanders showed up in the Braves' locker room, greeted by high-fives. "I was pumped for this," he said.

Sanders will be used as a pinch-runner. He will not be eligible for the playoffs. *(AP, NYT)*

The Pennant Races

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	84	68	.553	—
Boston	81	69	.540	2
Detroit	77	73	.513	6

Remaining Games

Toronto (10) — Home (6): Sept. 27-29, Minnesota; Sept. 30-Oct. 1-2, California. Away (4): Sept. 25, California; Oct. 4-6, Minnesota.

Boston (12) — Home (6): Oct. 1-3, Detroit; Oct. 4-6, Milwaukee. Away (6): Sept. 25 (DH), Baltimore; Sept. 27-30, Milwaukee.

Detroit (12) — Home (6): Sept. 25-26, Cleveland; Sept. 27-30, Baltimore. Away (6): Oct. 1-3, Boston; Oct. 4-6, Baltimore.

NATIONAL LEAGUE

West Division

	W	L	Pct.	GB
Los Angeles	88	64	.579	—
Atlanta	85	65	.567	2

Remaining Games

Atlanta (12) — Home (6): Sept. 25 (DH), 26, Cincinnati; Oct. 4-6, Houston. Away (6): Sept. 27-29, Houston; Sept. 30-Oct. 1-2, Cincinnati.

Los Angeles (10) — Home (6): Sept. 27-29, San Francisco; Sept. 30-Oct. 1-2, San Diego. Away (4): Sept. 25, San Diego; Oct. 4-6, San Francisco.

Padres Fall, Braves Idled

The Associated Press

While it rained on the Braves, the Dodgers pounced on the Padres and opened a two-game lead over Atlanta in the National League West.

Mike Morgan allowed six hits in eight innings plus as Los Angeles won in San Diego, 5-2, Tuesday night. Atlanta's home game against Cincinnati was rained out and rescheduled as part of a Wednesday doubleheader.

Eddie Murray had two hits for the Dodgers, including a single leading off a two-run second inning. Morgan won his fourth consecutive game and even drove in a run.

"We don't have to pound the ball to win ballgames," the winners' Darryl Strawberry said. "The big thing is getting key hits at the right time and getting guys in."

It was the second straight offensive show by a Dodgers pitcher. Ramon Martinez homered Sunday in a 3-0 victory over the Braves.

Ricky Bones threw a run-scoring wild pitch in the second, and Mike Sharperson delivered a run-scoring groundout. Brett Butler's double made it 3-0 in the fourth, but the Padres got two runs in the fifth on Thomas Howard's RBI single and Bip Roberts' run-scoring groundout.

Morgan's RBI grounder came in the sixth, and Mike Scioscia had one in the seventh.

In the ninth, John Candelaria struck out Fred McGriff with a man on, and Roger McDowell got Benito Santiago on a game-ending double play for his ninth save of the year.

Pirates 10, Mets 8: Howard Johnson broke his own league record for home runs by a switch-hitter with No. 37 and Daryl Boston added a grand slam for the Mets, but visiting Pittsburgh got 17 hits. Frank Viola remained winless in nine starts since Aug. 8.

Giants 9, Astros 7: Matt Williams homered in the fourth in the Astrodome, then was hit by a Brian Williams pitch his next time up. The batter charged the mound, both benches emptied and both Williamses were ejected.

Cardinals 4, Expos 3: Catcher Gilberto Reyes, center fielder Marquis Grissom, shortstop Tom Foley and pitcher Chris Haney made errors that led to four unearned runs for St. Louis at Busch Stadium. Grissom stole three bases, passing the suspended Otis Nixon of Atlanta for the major-league lead with 73.

Phillies 4, Cubs 2: Andy Ashby won for the first time in six major-league starts, allowing three hits in seven innings at Wrigley Field. Mitch Williams finished with one-hit relief for his 29th save.

Jays Cheat Abbott and The Angels

By Michael Martinez
New York Times Service

ANAHEIM, California — The California Angels found themselves on the periphery of a pennant race this week, but they were not able to slow the Toronto Blue Jays, despite an exceptional pitching performance from left-hander Jim Abbott.

Abbott took a two-hit shutout into the 10th inning, but Pat Borders hit a three-run homer to give the Blue Jays a 3-0 victory and a two-game lead in the American League East with 10 to play. The second-place Boston Red Sox were rained out in Baltimore.

Abbott, who struck out a career-high 13 batters, gave up a single to Candy Maldonado to open the 10th. John Olerud's sacrifice sent Maldonado to second before Abbott intentionally walked Pat Tabler. Borders then hit the first pitch from Abbott into the left-field seats to break the scoreless tie. Each of Borders's last four hits have been home runs.

The victory was only the Blue Jays' third in eight games on their current West Coast trip.

Abbott had only three strikeouts through five innings but then struck out five in a row and ended the string by striking out the side in the eighth. He gave up a hit in the first inning and did not allow another until the ninth.

■ *In other games, The Associated Press reported:*

Twins 9, White Sox 2: AL West-leading Minnesota eliminated three-time defending champion Oakland from the pennant race with a home victory and reduced their magic number for clinching the division to three. The Twins can clinch it as early as Thursday.

Scott Erickson had a no-hitter until Dan Pasqua homered in the seventh inning. Erickson went on to get his 19th victory, as he and Mark Guthrie teamed on a one-hitter.

Kent Hrbek capped a four-run second inning with a two-run homer off Jack McDowell.

Royals 5, Athletics 4: Danny Tartabull hit his 30th homer for Kansas City and Kevin Appier allowed eight hits and one run in six innings as Oakland, playing at home, was eliminated from the race.

Tartabull's first-inning homer off Joe Slusarski, following singles by Brian McRae and Kurt Stillwell, gave the Royals a 3-0 lead that they never lost.

"It's tough to give it up — I mean, it's all over," said Tony La Russa, the Oakland manager.

Tigers 7, Indians 2: Detroit kept its meager pennant hopes alive as Scott Aldred earned his third major league victory to halt visiting Cleveland.

The Tigers broke the game open with four runs off rookie Charles Nagy in the first.

Brewers 5, Yankees 4: Cal Eldred won his major league debut and Robin Yount tied Babe Ruth for 27th place on the all-time hit list as Milwaukee jumped to an early four-run lead and held on at home.

Rangers 8, Mariners 7: Brian Downing singled in Gary Pettis from second base with two outs in the ninth inning to lift Texas over Seattle in the Kingdome.

Worst of Red Sox May Get Best of History

By Thomas Boswell
Washington Post Service

BALTIMORE — For those who live and breathe with the Boston Red Flops, which is to say the population of every New England state as well as Masochists Anonymous worldwide, these are weird days. The faithful feel very strong both ways.

Hopes have never been higher. There's never been less hope.

No Red Sox team has ever had a clearer path to a World Series so late in a season. Who's to beat? The Blue Jays, the teetering American League East leaders, look ready to fold. The Red Sox have gained 10 games on Toronto since Aug. 7.

Vantage Point

As for the postseason, would any team really fear the Pirates, Twins or Dodgers? They're respectable but obviously beatable. Especially if you have Roger Clemens and they don't.

As Red Sox coach (and well-known off-season gravedigger) Richie Hebner said: "Six weeks ago, everybody had us all buried in my old man's cemetery. Now, they're all back on the bandwagon. . . . No reason we couldn't win it all."

ON THE OTHER HAND, no Red Sox contender has ever looked lousier. Except for Clemens and closer Jeff Reardon, Boston is mediocre-to-poor in every measurable aspect of the game.

Seventh in runs, sixth in fielding, next-to-last in steals and devoid of any other name starter, the Red Sox have little to recommend them. Except a strong backbone and brains.

What we've got here is a club that could become the Miracle Red Sox. These Bostons resemble the spunky 85-victory Twins of '87 who caught every break and filched the Series. Wouldn't it be justice if the Red Sox won their first World Series in 73 years with a No. 2 starter named Joe (11-4) Hesketh who was released by two lousy teams in 1990?

On the other hand, we could have a cast of characters — with the game's No. 1 payroll — who'll be a footnote this time next week.

So it's paranoia-as-usual in New England. Oh, they love the Red Sox. As recently as Sunday, Boston had gone on a 31-9 tear — although nobody seemed to know how. Starter Mike Gardiner, for instance, allowed 28 runs in 46 innings in eight starts. Yet he was 6-1.

As always, however, New England's faith was tissue-thin, especially after back-to-back break-your-heart losses Sunday and Monday.

Sunday's loss was a work of art as Reardon gave up a game-tying homer to Roberto Kelly when the lowly Yankees were down to their last strike. The Red Sox lost in extra innings when Manager Joe Morgan called for Boston's designated free-agent flop of the year, Matt Young, who walked two batters on eight pitches, then hit the next one with his first pitch.

While all of New England second-guessed Morgan, the Sox were back at work, *falling to Jim Poole in Baltimore. Under a full moon, with a* black cat jumping into and out of their dugout on the pitch before a crucial run-producing error. Boston was shut out for five innings by a reliever with one career victory.

Dan Shaughnessy, a Boston Globe columnist and author of "The Curse of the Bambino," could only shake his head about the Black Cat Error interlude, muttering: "People think I make these things up."

YOU HAVE TO be born and live in New England, like Baltimore's Mike Flanagan, to sense the burden of memory. "For the Red Sox, it almost seems to be a blessing for them to be on the road in September, he said. "Nobody ever lets them forget the memories of the ones gone by."

Perhaps no one knows that better than Dwight Evans, the former Red Sox now with Baltimore. "The fans up there are knowledgeable, and they expect the best," he said. "And the media is very tough. You better be mentally and physically tough. Only the strong survive in that city."

Just how strong?

In a spring training game 15 years ago, Evans, one of the most heads-up players of his generation, forgot the number of outs. He caught a fly, ran to the dugout head down and let a man tag and score from second base.

Thereafter, every time Evans went to right field in Fenway Park, the same fan yelled, "Hey, Evans, how many outs are there?"

This season, after 379 home runs and driving in 1,346 in 19 distinguished years as a Red Sox, Evans returned to right field in Fenway as an Oriole. For four days, fans celebrated his return with banners and ovations.

And every day, when the crowd got quiet, that voice from the bleachers screamed, "Hey, Evans, how many outs are there?"

Maybe, just maybe, it will take a team as bad as these Red Sox to exorcize their awful history. Of all the Boston teams that have ever contended for anything, this one may be the worst.

The astronomically priced part of the team that should function well — the offense — has been a disgrace. Jack Clark, Ellis Burks, Tom Brunansky, Tony Peña, Wade Boggs, Mike Greenwell, Jody Reed and Carlos Quintana should tithe their salaries after a season in which they've produced only 681 runs, seventh in the American League.

THE FIRST FOUR in that list are hitting under .240 (combined) while the last four are averaging eight home runs. Reed has produced as many runs as Boggs and Quintana as many as Clark.

In the whole perennially strange Red Sox tableau, Morgan is the wonderful and totally peculiar figure at the center. This year, he could win his fourth Eastern Division title in six years.

A native New Englander, he seems even more fatalistic than the most fate-fascinated Red Sox fan. He won't give an inch to the generations of mythology, won't even acknowledge that they exist most days.

What're you gonna do tomorrow, Joe?

"Go to Pimlico," he says, looking like 60 going on 73.

Why?

He ponders a second, then says, without expression or emotion, "There's a winner in every race."

NATIONAL LEAGUE

Darryl Strawberry said. "The big thing is getting key hits at the right time and getting guys in."

It was the second straight offensive show by a Dodgers pitcher. Ramon Martinez homered Sunday in a 3-0 victory over the Braves.

Ricky Bones threw a run-scoring wild pitch in the second, and Mike Sharperson delivered a run-scoring groundout. Brett Butler's double made it 3-0 in the fourth, but the Padres got two runs in the fifth on Thomas Howard's RBI single and Bip Roberts' run-scoring groundout.

Morgan's RBI grounder came in the sixth, and Mike Scioscia had one in the seventh.

In the ninth, John Candelaria struck out Fred McGriff with a man on, and Roger McDowell got Benito Santiago on a game-ending double play for his ninth save of the year.

Pirates 10, Mets 8: Howard Johnson broke his own league record for home runs by a switch-hitter with No. 37 and Daryl Boston added a grand slam for the Mets, but visiting Pittsburgh got 17 hits. Frank Viola remained winless in nine starts since Aug. 8.

Giants 9, Astros 7: Matt Williams homered in the fourth in the Astrodome, then was hit by a Brian Williams pitch his next time up. The batter charged the mound, both benches emptied and both Williamses were ejected.

Cardinals 4, Expos 3: Catcher Gilberto Reyes, center fielder Marquis Grissom, shortstop Tom Foley and pitcher Chris Haney made errors that led to four unearned runs for St. Louis at Busch Stadium. Grissom stole three bases, passing the suspended Otis Nixon of Atlanta for the major-league lead with 73.

Phillies 4, Cubs 2: Andy Ashby won for the first time in six major-league starts, allowing three hits in seven innings at Wrigley Field. Mitch Williams finished with one-hit relief for his 29th save.

SIDELINES

Kukoc Injured, May Miss 2 Months

TREVISO, Italy (AP) — Yugoslav guard-forward Toni Kukoc, considered Europe's top basketball player, will be sidelined for nearly two months with an bad ankle injury, his Italian club, Benetton Treviso, announced Wednesday.

Kukoc, who made his debut in the Italian league on Sunday, tore his left ankle ligaments during training on Monday. Team doctors said he will undergo surgery at the Rizzoli clinic in Bologna on Thursday and that he won't be back to action sooner than 50 to 60 days.

Kukoc had become Europe's highest-paid player this year when Benetton paid about 20 billion lire ($15.3 million) to put him under contract for six years. Kukoc had rejected bids by the Chicago Bulls of the NBA to play in Treviso, and Sunday had scored 23 points, passed for six assists and grabbed 8 rebounds in Benetton's 80-66 victory over Siena.

For the Record

Diego Maradona's youngest brother has agreed to play for a Japanese professional soccer team next year, a club official said Wednesday in Tokyo. Ugo Maradona, 22, will play for PJM Futures, said the official. PJM Futures last year offered Diego Maradona a contract. *(AP)*

A spokesman for Bo Jackson's doctor said Tuesday that no decision has been made on his immediate football future, and one won't be made during the baseball season. "Bo has said from early on that while baseball season is on, he's going to concentrate on baseball," said Lanier Johnson, spokesman for Dr. James R. Andrews and Alabama Sports Medicine. "When football season gets here, he'll deal with football." *(AP)*

Sergei Bubka, the Soviet pole vault world record holder, will join the Berlin athletics team Olympischer Sport Club, a team official said. There had been speculation that Bubka would move to France. *(AFP)*

Muhammad Ali, scheduled to appear in London for a book promotion tour, has not arrived yet from a trip to the Middle East and has given no explanation for his absence. "I've never known Ali to stand up anybody," said Howard Bingham, a friend of Ali's who added that there was no reason for concern about the former heavyweight champion's well-being. *(AP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	84	68	.553	—
Boston	81	69	.540	2
Detroit	77	73	.513	6
Milwaukee	73	76	.490	9½
New York	64	86	.427	19
Baltimore	63	87	.420	20
Cleveland	51	98	.342	31½

West Division

	W	L	Pct.	GB
Minnesota	91	60	.603	—
Chicago	82	69	.543	9
Texas	79	71	.527	11½
Oakland	79	72	.523	12
Kansas City	77	74	.510	14
California	76	75	.503	15
Seattle	76	75	.503	15

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
x-Pittsburgh	92	59	.609	—
St. Louis	79	73	.520	13½
Chicago	72	78	.480	19½
New York	72	78	.480	19½
Philadelphia	72	80	.474	20½
Montreal	67	84	.444	25

West Division

	W	L	Pct.	GB
Los Angeles	88	64	.579	—
Atlanta	85	65	.567	2
San Diego	77	75	.507	11
Cincinnati	71	79	.473	16
San Francisco	70	82	.461	18
Houston	62	90	.408	26

x-clinched division title

Tuesday's Line Scores

AMERICAN LEAGUE

Cleveland	100	000	001	—2	9	0
Detroit	400	021	00x	—7	10	1

Nagy, Kramer (6), Shaw (8) and Tauberee; Aldred, Gleaton (9) and Tettleton. W—Aldred, 2-3. L—Nagy, 16-13. HRs—Cleveland, Belle (28). Detroit, Tettleton (28).

Chicago	000	000	200	—2	1	0
Minnesota	240	100	02x	—7	12	1

McDowell, Alvarez (2), Drees (8), Carter (8) and Fisk; Erickson, Guthrie (8) and Ortiz. W—Erickson, 19-7. L—McDowell, 17-10. HRs—Chicago, Pasqua (16). Minnesota, Hrbek (19).

New York	000	012	100	—4	13	1
Milwaukee	201	001	00x	—5	8	1

Plunk, Cadaret (7) and Nokes; Eldred, Crim (6), Nunez (8), Henry (8) and Surhoff. W—Eldred, 1-0. L—Plunk, 2-5. Sv—Henry (11). HR—New York, Maas (20).

Toronto	000	000	000	3	4	0
California	000	000	000	0	6	1

10 innings

Stottlemyre, Wells (8) and Borders; J.Abbott and Tingley. W—Wells, 15-10. L—J.Abbott, 17-10. HR—Toronto, Borders (5).

Kansas City	310	010	000	—5	8	0
Oakland	001	000	030	—4	11	0

Appier, Gordon (7), Montgomery (8) and Mayne; Slusarski, C.Young (6), Chitren (7), Honeycutt (9) and Hemond, Steinbach (9). W—Appier, 12-9. L—Slusarski, 4-7. Sv—Montgomery (31). HRs—Kansas City, Tartabull (30), Oakland, Ries (5).

Texas	200	011	121	—8	8	1
Seattle	100	000	240	—7	13	2

Brown, Rogers (7), Mathews (8), Russell (8) and I.Rodriguez; Petralli (9); Krueger, Bankhead (7), Jackson (9), Swan (9) and Valle, Cochrane (8). W—Russell, 6-4. Jackson, 7-7. HRs—Texas, Franco (14), Palmiero (26).

NATIONAL LEAGUE

Philadelphia	301	000	000	—4	9	0
Chicago	000	010	001	—2	4	1

Ashby, Williams (8) and Fletcher; Bielecki, Lancaster (6), Slocumb (8) and Berryhill. W—Ashby, 1-4. L—Bielecki, 13-11. Sv—Williams (29).

Montreal	200	001	000	—3	9	1
St. Louis	200	002	00x	—4	6	0

Haney, Platt (6) and Reyes, Fitzgerald (6); Olivares, L.Smith (8) and Pagnozzi, Stephens (7). W—Olivares, 10-6. L—Haney, 3-6. Sv—L.Smith (40).

Pittsburgh	000	231	200	—10	17	2
New York	001	340	10x	—9	11	3

Walk, Patterson (5), Landrum (7), Palacios (8), Rodriguez (8) and Slaught, Prince (9); Viola, Whitehurst (5), Innis (6), Beahy (7), Bruss (7), Burke (8) and Hundley, O'Brien (5). W—Patterson, 4-2. L—Innis, 0-2. Sv—Rodriguez (5).

HRs—New York, Johnson (37), Boston (3).

San Francisco	000	200	002	—4	8	1
Houston	001	002	11x	—7	14	3

Heredia, Beck (7), Rietsetti and Decker; B.Williams, X.Hernandez (6), Mallicoat (8), Portugal (8), Osuna (9), Henry (9), Corsi (9) and Biggio. W—Beck, 1-1. L—Portugal, 10-10. HR—San Francisco, M.Williams (31).

Los Angeles	020	101	100	—5	7	0
San Diego	000	020	000	—2	6	0

Morgan, Candelaria (9), McDowell (9) and Scioscia; Bones, Clements (4), Rodriguez (6), Maddux (6), Lillquist (8), Hernandez (9) and Santiago. W—Morgan, 14-9. L—Bones, 4-5. Sv—McDowell (9).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Hiroshima	65	47	1	.580	—
Chunichi	64	53	1	.547	3½
Yakult	63	58	1	.521	6½
Yomiuri	63	61	0	.508	8
Taiyo	55	65	1	.458	14
Hanshin	45	71	0	.388	22

Wednesday's Results

Taiyo 6, Hiroshima 4
Chunichi 11, Yomiuri 4
Hanshin 6, Yakult 1

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	74	49	6	.669	—
Kintetsu	75	44	3	.630	1½
Orix	60	61	3	.496	17½
Nippon Ham	57	65	4	.468	21
Daiei	49	65	3	.430	25
Lotte	40	74	3	.351	34

Wednesday's Results

Seibu 6, Lotte 1
Kintetsu 6, Daiei 5
Nippon Ham 5, Orix 4, 11 innings

SOCCER

EUROPEAN CHAMPIONSHIP

Group Three

Soviet Union 2, Hungary 2

ENGLISH LEAGUE CUP

Second Round, First Leg

Blackpool 1, Barnsley 0
Bradford 1, West Ham 1
Brentford 4, Brighton 1
Crewe 3, Newcastle 4
Everton 1, Watford 0
Hull 0, Queen's Park Rangers 3
Leyton Orient 0, Sheffield Wednesday 0
Middlesbrough 1, Bournemouth 1
Oldham 7, Torquay 1
Port Vale 2, Notts County 1
Portsmouth 5, Oxford 0
Scunthorpe 0, Leeds 0
Sunderland 1, Huddersfield 2
Wigan 2, Sheffield United 2
Wimbledon 1, Peterborough 2
Wolverhampton 4, Shrewsbury 1

GERMAN CUP

Fourth Round

Werder Bremen 4, Dynamo Dresden 1
B. Moenchengladbach 2, Fortuna Cologne 0
SSV Reutlingen 2, Bayer Leverkusen 3, OT
Hannover 96 1, Bayer Uerdingen 0

INTERNATIONAL FRIENDLY

Bulgaria 2, Italy 1

BASEBALL

National League

PHILADELPHIA—Sent Amalio Carreno, Darrel Akerfelds and Chuck Malone, pitchers, and Sil Campusano, outfielder, outright to Scranton-Wilkes-Barre, International League.

BASKETBALL

National Basketball Association

CLEVELAND—Signed Terrell Brandon, guard, to 7-year contract.

MIAMI—Signed Carlos Funchess, guard.

FOOTBALL

National Football League

BUFFALO—Put James Williams, cornerback, on injured reserve.

GREEN BAY—Activated Louis Cheek, offensive lineman, from injured reserve. Waived Scott Jones, offensive tackle.

HOUSTON—Waived Gary Wellman, wide receiver.

L.A. RAMS—Put Rodney Thomas, cornerback, on injured reserve. Put Marcus Dupree, running back, on practice roster. Released Corwin Anthony, tight end, and Trevor Ryals, center, from practice roster.

PITTSBURGH—Agreed to terms with Greg Lloyd, linebacker. Re-signed Rick Strom, quarterback.

Canadian Football League

BRITISH COLUMBIA—Released Ken Watson, defensive back.

EDMONTON—Activated Rob Davidson, defensive tackle, from injured list. Released Jerry Kauric, kicker.

HOCKEY

National Hockey League

EDMONTON—Signed Esa Tikkanen, left wing, to 6-year contract.

N.Y. RANGERS—Sent Guy Larose, Brian McReynolds and Rob Zamuner, centers, to Binghamton, American Hockey League.

European Soccer Shocker: Iceland Shuts Out Spain

The Associated Press

REYKJAVIK, Iceland — The Iceland national team amazed spectators Wednesday with a 2-0 victory over the Spanish team in a Group 1 qualifying match for the European Soccer Championships.

The North Atlantic team dominated the match's second half with goals from Porvardar Orlygsson (71th) and forward Eyjolfur Sverisson (77th) at Laugardalsvollur Stadium.

Iceland erased Spain's slight mathematical chance of making the championship finals. Had the Spanish won this match, only two straight losses by undefeated group leader France would have allowed Spain a slot.

Spain, a top international team, had appeared in all European Championships and World Cups since 1978.

Iceland midfielder Sigurdur Gretarsson, the team's playmaker, kept the ball near the Spanish goal line threatening further goals that the Iberian team barely blocked.

The Spanish team, unaccustomed to the Reykjavik strong winds and almost freezing temperatures, was unable to mount an attack in the first half.

The game marked Vicente Miera's debut as coach of the Spanish team. Iceland's coach, Asgei Eliasson, also debuted during the match. He brought in five players from his home team, the Fram Reykjavik.

● In Landskrona, Sweden, the Faeroe Islands were routed, 4-0, by Denmark in a Group 4 qualifier. *(AFP)*

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Pink-Slip Promises

WASHINGTON — The first casualty in any economic downturn is truth. Promises made in good times are promises broken in bad ones.

Popover found this out when he was pink-slipped from Dumbo Inc., a conglomerate specializing in everything from soft pillows to soft real estate.

Popover went in to see Rankle, Dumbo's sixth president in two years. Rankle had a sign on his desk, "The Buck Stops Here So Why Don't You Take a Flying Leap?"

Buchwald

Popover said, "I left a good job at Giraffe Computers to come with Dumbo and it was my understanding that I would be here for a minimum of 10 years. What's with this pink slip?"

"Who led you to understand that?" Rankle asked.

"Parrish did. He flew all the way to Atlanta to talk me into joining Dumbo."

"You and I know that Parrish isn't here any more.

"He was hit by a corporate freight train."

"But won't you honor his word, which he made in the name of the company?"

"We wouldn't even honor the raincoat he left in his closet. What you didn't know about Parrish was that when it came to recruiting people, he always had his fingers crossed. He even promised two people the same space in the executive parking lot at a time when none existed."

□

Popover said, "Maybe so, but when he left the company his successor McDougall told me that whatever Parrish promised he would accept as an obligation by the corporation."

Rankle told him, "That was after McDougall fell off his horse playing on the company polo team. The board felt that he was never quite right after that. Do you expect us to accept the word of someone who landed on his head in Palm Beach?"

"McDougall may have landed on his head but he was a man of honor, which is more than I can say for you."

Rankle responded, "Just because you've been fired is no reason for you to be rude."

"Does it mean anything to you that Parrish made me quit my job in Atlanta, sell my house, pull my kids out of school and start a new life here in New Jersey? He wasn't the only one to assure me that I had a future with Dumbo. Xeres, the executive vice president under Cornish, also told me that I would see the company into the 21st century."

"Xeres was Dumbo's practical joker. No one ever took him seriously. Look, Popover, you're a fine businessman, that's why we hired you, but when things go sour someone has to stick his head in the gas oven. The people on the 40th floor who make the big cutback decisions have to clean out the people on the 25th floor, so that the 40th-floor people have a safety net. The only way for management to accomplish this is by handing out pink slips. We don't like staff who always complain and we expect some loyalty from those who are getting the ax."

□

Popover persisted, "Where I come from a promise is a promise."

Rankle replied, "This is 1991. A person's word is not his bond. Every promise has to be in writing, and even then it's meaningless if we tell our lawyers we want to fight it. When things pick up, Popover, you will be the first person we're going to rehire."

"How can I believe that?"

"Popover, you have my word on it."

Norway's Queen Opens Munch Show in Paris

The Associated Press

PARIS — Queen Sonja of Norway and President François Mitterrand inaugurated a major exhibition of works by Edvard Munch at the Musée Orsay.

"Munch et la France" features works which underscore the artist's close relationship with French art in the late 19th and early 20th centuries. Along with dozens of Munch oils, drawings and lithographs are works by Monet, Degas, Gauguin, Toulouse-Lautrec, Sisley and Redon. It runs through Jan. 5, then moves to Oslo and Frankfurt.

Tomorrow Is Here for Scarlett O'Hara

By Eleanor Blau

New York Times Service

NEW YORK — "Tomorrow, I'll think of some way to get him back," says Scarlett O'Hara, the feisty, self-centered Southern belle in "Gone With the Wind." "After all, tomorrow is another day."

So ends Margaret Mitchell's 1936 soap opera of a novel, a Civil War epic that became one of the most popular books ever written.

And then what happens?

Well, for one thing, maybe Scarlett goes back to Tara, the beloved plantation in Georgia, moves on to Charleston, South Carolina, and later to — Ireland?

Not so far-fetched, considering that was her father's birthplace. It all happens in Alexandra Ripley's "Scarlett," the Warner Books sequel, which was authorized by the Mitchell estate, and has just been published in 40 countries and 18 languages. *(Review on page 14.)*

More than a million copies of "Scarlett" were ordered by U. S. bookstores in advance of the publication, Ripley has been told, and no one doubts a movie can be far away. Still, what acclaim would "Scarlett" have to win to begin to match the popularity of its predecessor?

The Pulitzer Prize-winning "Gone With the Wind" has been translated into 27 languages and has sold 28 million copies, more than any other book but the Bible.

The 1939 movie won 10 Academy Awards and may forever have linked the protagonists with their portrayors: Clark Gable as the adventurer Rhett Butler and Vivien Leigh as Scarlett, whom he pursues through the nearly four-hour film and the more-than-1,000-page book, finally abandoning her with his classic adieu: "My dear, I don't give a damn."

Ripley said she was well aware that some fans of "Gone With the Wind" would scorn the presumption of continuing what Mitchell said should have no sequel.

She even heard about an "I Won't Read the Sequel Club" in Atlanta, which she herself asked to join after re-reading her manuscript in its many rewritten, edited, galley and page-proof versions. (She received a membership plaque.)

For nonmembers of the club, it would be unkind to reveal the Ripley fate of Rhett and Scarlett, but the author did not mind noting that Scarlett "grows up" by admitting defeat and by experiencing love for Cat. Cat is a child. We won't say whose.

Ripley said she had decided early on that fans of the first novel would have her "pilloried" if, in more than 800 pages, the pair had still not gotten together. But that is not divulging the ending. "Whoever writes the next book should send me flowers, because I've set it up for them," she observed.

The 57-year-old Ripley said she had spent five years on "Scarlett," visiting libraries, archives and sites from Atlanta to Dublin and steeping herself in the Mitchell work.

After reading "Gone With the Wind" four times, and copying several hundred of its pages in longhand (the only way she writes), Ripley said, she started underlining bits of it with colored pencils to try to fathom what she calls a most unusual style that broke rules of syntax and compressed a great deal.

"Margaret Mitchell was a better writer than critics have given her credit for," she said. Better than Ripley? A pause. "Yes," she said and smiled.

Ripley has written historical novels, including two set in her own and Rhett's home turf: "Charleston" and "On Leaving Charleston," as well as "New Orleans Legacy," all Warner paperback best-sellers.

The author, who lives in Virginia with her husband, a professor at the University of Virginia, and who has two daughters by an earlier marriage, tried to imitate Mitchell's style for only a few hundred of the book's 823 pages to gain the trust of readers. Then, she said, "Gradually, I could slide into my own voice."

Even while imitating, she said, she avoided the black dialect of "Gone With the Wind," which she considered not only demeaning but also hard to read.

"Gone With the Wind" ends in 1873, and that's when "Scarlett" starts, a few days later, at the burial of Melanie Wilkes. Melanie is, of course, the wife of Ashley, whom, all these years, until recently, Scarlett had thought she loved. (You don't want to be told Ashley's lot, do you?)

Plotting the novel and trying to match it to the times was difficult. "There were things going on in the Balkans, but can you see Scarlett saying, 'I think I'll grow cotton in the Balkans?' "

But when Ripley read about this being tumultuous times in Ireland, "with early skirmishing and political parties and rhetoric" — much like the pre-Civil War times in which "Gone With the Wind" opens — "I said, 'Oh, thank you, God!' "

The Mitchell estate put only two restrictions on her efforts, said Ripley: don't include miscegenation or graphic sex. The sequel is more open about sex than its predecessor, but she said, "I'm a three-dot writer" who thinks suggestion is more of a turn-on than explicitness.

Her biggest problem was that she considered Scarlett "a thoroughly loathsome character." The one thing she admired, she recalled, was that Scarlett always kept her promises. "But her ruthlessness I found appalling."

Rhett, on the other hand, was no trouble at all. "An adventurer who is *au fond* a good guy, nice to children and to his mother. And he's an educated man. He was a joy to write."

According to biographies, she said, Mitchell experienced more pain than pleasure from her huge success. Ripley, though, said she felt like "the luckiest person in the world."

She has received a $160,000 advance for "Scarlett," which is less than half the advance she was to have received for a book for Warner that was postponed for the sequel. But she has that book and another one under contract for Warner now and stands to earn more for "Scarlett."

"It's not just avarice. It's vanity." — she shrugged — "I would like to have people go into bookstores and say, 'Is the new Ripley out yet?' "

The Associated Press

Margaret Mitchell (left) left Scarlett and Rhett (center, in the movie) hanging; Alexandra Ripley (right) took up the story from there.

PEOPLE

Judge for Booker Prize Quits, Assailing Others

The British author **Nicholas Mosley** said Wednesday he was resigning from the judging panel of Britain's top literary award, the Booker Prize, because none of the novels he favored made it onto the shortlist. Mosley had favored inclusion of **Allan Massie's** "The Sins of the Father," a story about the Holocaust. He accused his fellow judges of being interested "only in people, not big themes." Mosley, who has the title **Lord Ravensdale**, is the son of **Sir Oswald Mosley**, the British fascist leader of the 1930s. London's bookies are giving 2-to-1 odds on **Martin Amis's** "Time's Arrow," also about Nazi death camp atrocities. The other shortlisted writers are **Roddy Doyle** for "The Van," **Rohinton Mistry** for "Such a Long Journey," **Timothy Mo** for "The Redundancy of Courage", **William Trevor** with "Reading Turgenev" and **Ben Okri** with "The Famished Road."

□

The American astronomer **Allan Sandage** received the $327,332 Crafoord Prize Wednesday for 40 years of discoveries, including measurements of the age of the universe and how fast it is expanding. The Crafoord Prize has been awarded since 1982 to scientists in fields not covered by the Nobel Prizes. "It's said that the Nobel Prizes are for useful things and the Crafoord is for things that are not of practical value," Sandage told a news conference in Stockholm before receiving his gold medal from **King Carl XVI Gustaf**.

□

Dennis Marks, former head of music for BBC Television, has been named director-general of the English National Opera. He succeeds **Peter Jonas** who resigned earlier this year, along with the opera's music director **Mark Elder** and director of productions, **David Pountney**.

□

The novelist **James Michener** has donated $5 million to his alma mater, Swarthmore College. But he attached a string — that the money "be put to good use." His last gift to Swarthmore was in 1984, when he gave the school an unrestricted $2 million donation. The donation was a "repayment" of a $2,000 scholarship he received to attend the school, plus interest, he has said.

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